

Minutes of the 4 December 2012
Regular Meeting of the Yancey County Board of Commissioners
Held at 7:00 o'clock p.m. in the Yancey County Courtroom
Yancey County Courthouse, Burnsville, North Carolina

Present at the 4 December 2012 meeting of the Yancey County Board of Commissioners were Chairman Johnny Riddle, Commissioner Jill Austin, Commissioner Jim Edwards, Commissioner Randy Ollis, Commissioner Jeff Whitson, County Manager and Assistant Clerk to the Board Nathan Bennett, County Attorney Donny Laws, YCTA Director Lynn Austin, members of the media, and members of the general public.

Call to Order and Approval of Agenda

Chairman Riddle called the meeting to order. He then asked Commissioner Edwards to deliver the invocation. Chairman Riddle then led everyone in the Pledge of Allegiance. Chairman Riddle then asked for a motion to approve the agenda. Commissioner Ollis made a motion to approve the agenda and it was seconded by Commissioner Edwards. The vote to approve was unanimous. (Attachment A)

Public Comment

The first person to speak before the Board was Bill Grover. He spoke about the beginning of a new board and was interested to find out what the beginning of this board would bring. The next person to speak before the Board was Benny Riddle. Mr. Riddle spoke about the recent hunting accident as another reason to have a hunting from the road law in Yancey County.

Consent Agenda

The Board next moved to the consent agenda portion of the agenda. On the consent agenda for December were consideration of the November Regular Meeting Minutes, consideration of the Register of Deeds disposition schedule as approved by the North Carolina Division of Archives and History (for reference this may be found at <http://www.records.ncdcr.gov/local/default.htm#co>), consideration of Budget Amendments #1 and #2 to the 2012-13 fiscal year budget (Attachment B), consideration of the 2013 holiday schedule for county employees (Attachment C), and the Western Highlands fiscal monitoring report (Attachment D). Upon consideration of the consent agenda Commissioner Ollis made a motion to approve all of the items on the consent agenda. The motion was seconded by Commissioner Austin and the vote to approve was unanimous.

Yancey County Transportation 5310 and 5311 Grants

The Board next heard from Transportation Director Lynn Austin concerning the 5310 and 5311 grants from the North Carolina Department of Transportation. Mrs. Austin informed the Board that the 5311 grant was for capital expenses as well as for administration costs. The capital part of the 5311 grant was for \$84,000 with a 10% county match. The administrative part of the 5311 grant was for \$144,953 and required a 15% county match. The 5310 grant is a new grant as of two years ago and goes to fund an additional van along with the other expenses for the van for the Elderly and Disabled Program that YCTA does. This grant also covers 6 dialysis patients. The total of the grant is \$79,524 with 50% of that coming from local funds. There is also a 50% local match required for this grant. Chairman Riddle then opened the public hearing for these two grants. Commissioner Ollis and Commissioner Whitson had questions for Mrs. Austin concerning the dialysis patients. Mrs. Austin gave both commissioners general information about dialysis patients and how they are provided with services. A question then came from the audience concerning the \$144,953 for the administration of the department. Mrs. Austin explained that the \$144,953 completely funded the administration of the department. She

2011-2012 Fiscal Year Audit

The Board next heard from Dave Kerestes, Brian Broom, and George Webb with Dixon Hughes Goodman, LLP. Mr. Kerestes stated that they were here today to present the 2011-2012 fiscal year audit findings to the Board of County Commissioners. The audit will be submitted on time to the Local Government Commission. Mr. Kerestes further stated that there were four findings in the audit report for this year and that the number of findings has been significantly reduced over the last four years. The first finding has to do with the fund balance. This is not a new finding as the County continues to get the finances in order. This year there is an available fund balance of 1.7% which is less than the required 8% by the Local Government Commission. The second finding had to do with Financial Statement Reporting. Again, the audit adjustments have been greatly reduced for the past four years but this was still a finding. The third finding by Dixon Hughes Goodman, LLP was for budgetary control. In this regard there was some overspending in departments last year. The fourth finding had to do with DSS and their day sheets. Upon hearing from Mr. Kerestes, Chairman Riddle commented that the County is going in the right direction. (Attachment F)

County Manager Business

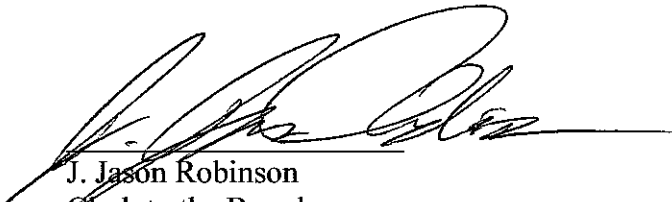
The Board next heard from County Manager Nathan Bennett. Mr. Bennett reported that the County had received from the North Carolina Public Librarians a facilities award for the Yancey County Public Library. Mr. Bennett also reported that Cane River Park was featured in the McGill Associates newsletter for December that is distributed across the state. Mr. Bennett further updated the Board on the progress of the East Yancey Sewer Project.

County Attorney Business

County Attorney Donny Laws informed the Board that Banks Holding has a request to lower value on a piece of land within Mountain Air Country Club. According to Mr. Laws this type of change can only be done if there was a clerical error on the tax card in 2008, the last year of reappraisal. Mr. Laws stated that he had consulted with Tax Administrator Jeff Boone regarding the request in order to offer opinion. According to Mr. Laws, the taxpayer wants the value changed on the 2011 and 2012, which they currently owe to the county. Randy Banks, representative of Banks Holding stated before the Board that the parcel in question is a two acre tract that is classified as a home site and that it is only a road right-of-way. He believes this is a clerical error or a misapplication of the schedule of values. Mr. Banks further stated that there was an appraisal in 2012 and that it was appraised at \$25,000, which is the amount they are requesting the value be lowered to. Mr. Banks further referenced the prior Board's adjustments of changes made outside of the Board of Equalization and Review and that they did not know about this problem with the parcel until April when it was too late to appear before the Board of Equalization and Review. Tax Administrator Jeff Boone advised the Board that this was a basic value appeal and should have been considered at the Board of Equalization and Review which begins the first Monday in April. County Attorney Donny Laws then addressed the Board once more to clarify the procedure. Mr. Laws stated that this was a request to change value for past years and this can only be done if a clerical error occurred in 2008. If something changes to the property to reflect change in the value of the property then this can be done at the Board of Equalization and Review. Mr. Laws further stated that he had spoken with tax expert at the School of Government and he agreed that this is a value issue, not clerical. Mr. Laws stated that his legal opinion is that this is not a clerical error and not the type of issue for the Board of Commissioners but could be taken before the Board of Equalization and Review. Upon hearing from Mr. Laws, Commissioner Austin made a motion to have the tax administrator to visit the property and report back to the Board with his findings. The motion was seconded by Commissioner Whitson and the vote to approve was unanimous. (Attachment G)

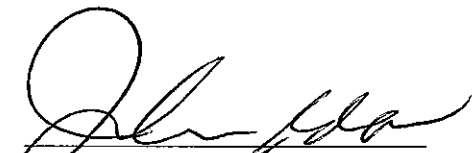
Commissioner Business


Attest:


J. Jason Robinson
Clerk to the Board

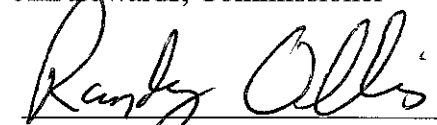
(county seal)




Johnny Riddle, Chairman


Jill Austin, Commissioner


Jim Edwards, Commissioner


Randy Ollis, Commissioner

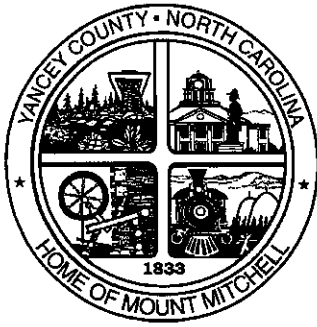

Jeff Whitson, Commissioner



AGENDA
YANCEY COUNTY BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING
December 4, 2012
7:00 P.M.

- I. Call to Order – Chairman Johnny Riddle
- II. Invocation and Pledge of Allegiance to the Flag
- III. Approval of the Agenda
- IV. Public Comment
- V. Consent Agenda
 - a. Approval of the Minutes-November Regular Meeting
 - b. Register of Deeds Records Disposition Schedule
 - c. Budget Amendments #1 and #2
 - d. 2013 Holiday Schedule
 - e. Western Highlands Fiscal Monitoring Report
- VI. Yancey County Transportation Authority – Lynn Austin, YCTA Director
 - a. Grant Applications- 5310 and 5311 Grant
 - b. **PUBLIC HEARING**- 5310 and 5311 Grant
 - c. 5310 and 5311 Resolutions
- VII. 2011-2012 Fiscal Year Audit – David Kerestes/Brian Broom, Dixon Hughes Goodman, LLP
- VIII. County Manager Report – Nathan Bennett, County Manager
- IX. County Attorney Report – Donny Laws, County Attorney
 - a. Banks Holding Company, LP Request
- X. County Commissioners Report
- XI. Adjourn

Attachment B



YANCEY COUNTY FINANCE OFFICE

110 TOWN SQUARE, ROOM 11, BURNSVILLE, NC 28714

PHONE (828)682-3819 • FAX (828)682-4301

FINANCE DIRECTOR, LYNNE E. HENSLEY • lhensley@yanceycountync.gov

FINANCE OFFICER, BRANDI BURLESON • bburleson@yanceycountync.gov

ASST. FINANCE OFFICER, LISA MILLER • lmiller@yanceycountync.gov

NOTES TO BUDGET AMENDMENT # 1

The purpose of this budget amendment is to adjust various revenues and expenditures that have changed since the adoption of the 2012-2013 Budget. The amendment covers salary changes for several areas for budgeted vs actual calculations, the addition of the Cultural Resource Commission to Yancey County's General Fund (revenue and expenditures), the increase in Worker's Compensation due to the audit of the 2011-2012 fiscal year salaries, the addition of the ROAP Grant for YCTA, and several adjustments made to the Dept of Social Services budget. The net difference of this budget amendment is \$182,769 which increases the budget from \$19,772,437 to 19,955,206.

NOTES TO BUDGET AMENDMENT # 2

The purpose of this amendment is to add two grants that were received recently. The Yancey County Sheriff's Dept received a grant from the National Association of Drugs for \$5,000 to use in conjunction with funds already in place to help with drug prevention. The Yancey County Board of Elections also received a grant for \$15,100 to replace dated equipment.

If there are any questions related to Budget Amendment # 1 or # 2, please feel free to call me at 682-3971 and I will answer any questions you may have.

Brandi Burleson
Finance Officer

YANCEY COUNTY COMMISSIONERS

BUDGET AMENDMENT # 1

FUND: GENERAL

As entered in the minutes of the Yancey County Board of Commissioners at a meeting on Tuesday, December 4, 2012.

	EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
1	104110-512601	CLERK TO THE BOARD	4,860.00	
2	104110-5181	FICA/MEDICARE	350.00	
3	104110-5182	RETIREMENT	700.00	
4	104110-5183	HEALTH INS	1,200.00	
5	104110-5311	MILEAGE	300.00	
6	104110-5491	DUES/SUBSCRIPTIONS	70.00	
7	104120-5121	SALARIES	8,300.00	
8	104120-5183	HEALTH INS	3,100.00	
9	104120-5312	TRAVEL	800.00	
10	104120-5395	TRAINING	500.00	
11	104190-524002	R&M LIBRARY	4,000.00	
12	104190-524012	R&M GROUNDS	4,000.00	
13	104198-5251	IT GAS	500.00	
14	104198-5353	R&M AUTOS	500.00	
15	104200-5186	WORKER'S COMPENSATION	23,230.00	
16	104524-5001	E&D EXPENDITURES	47,706.00	
17	104524-5002	ROAP EXPENDITURES	55,603.00	
18	104524-5003	WORK 1ST EXPENDITURES	6,193.00	
19	106116-5211	CRC-JANITORIAL SUPPLIES	300.00	
20	106116-5260	CRC-OFFICE SUPPLIES	250.00	
21	106116-5321	CRC - TELEPHONE	1,500.00	
22	106116-5331	CRC - ELECTRICITY	2,600.00	
23	106116-5333	CRC - PROPANE	1,500.00	
24	106116-5334	CRC - WATER	300.00	
25	106116-5394	CRC - CLEANING SERVICES	1,200.00	
26	106116-5191	CRC - PROFESSIONAL SERVICES	800.00	
27	104120-5260	OFFICE SUPPLIES	600.00	
28	104120-5311	TRAVEL/MILEAGE	400.00	
29	104200-518301	HEALTH INS - COUNTY MATCH	22,000.00	
30	104200-5451	PROP & LIAB INSURANCE	5,000.00	
31	104910-5395	TRAINING	300.00	
32	104150-519502	LEGAL FEES - CONTRACT		3,000.00
33	104200-512106	COMP TIME PAYOUT		5,000.00
34	104200-5130	ANNUAL LEAVE		5,000.00
35	104200-539501	SAFETY TRAINING		500.00
36	104350-5321	TELEPHONE		1,000.00
37	104350-5331	ELECTRICITY		3,000.00
38	104360-5194	MEDICAL SERVICES		3,000.00
39	104710-5121	SALARIES		4,000.00
40	105820-5321	TELEPHONE		1,000.00
41	105850-5126	DAY CARE - PART TIME		9,000.00
42	105850-524018	DAY CARE - R&M	5,000.00	
43	105850-5260	DAY CARE - OFFICE SUPPLIES	2,200.00	
44	105850-5352	DAY CARE - R&M EQUIPMENT	600.00	
45	105850-5239	DAY CARE - VACCINATIONS		300.00
46	105850-5550	DAY CARE - CAPITAL	1,500.00	
47	105310-5170	DSS - BORAD MEMBERS	500.00	

48	105310-5192	PROF SERVICES - LEGAL			3,000.00
49	105310-5239	VACCINATIONS	750.00		
50	105310-524016	R&M BLDGS	500.00		
51	105310-5260	OFFICE SUPPLIES			2,500.00
52	105310-529914	SUPPLIES - BOARD MTGS	350.00		
53	105310-5312	TRAVEL EXPENSES	250.00		
54	105310-5321	TELEPHONE	1,000.00		
55	105310-5325	POSTAGE			795.00
56	105310-5370	ADVERTISING	250.00		
57	105310-5381	COMPUTER PROGRAM TIME			750.00
58	105310-5510	CAPITAL			8,000.00
59	105310-5520	CAPITAL - COMPUTERS	1,500.00		
60	105310-5497	1571 AUTOMATION			10.00
61	105320-5121	SALARIES	1,510.00		
62	105320-5311	TRAVEL/MILEAGE			250.00
63	105320-5790	WORK FIRST ADMIN	8,052.00		
64	105320-5766	FOOD STAMP ISSUANCE			750.00
65	105320-576803	EMPLOYMENT & TRAINING	1,000.00		
66	105330-5121	SALARIES	373.00		
67	105330-5311	TRAVEL/MILEAGE			1,500.00
68	105330-5353	R&M AUTOS	1,500.00		
69	105330-5395	TRAINING	1,000.00		
70	105330-5785	FOSTER CARE PROGRAM	8,627.00		

TOTALS	235,124.00		52,355.00
NET CHANGE		182,769.00	
CURRENT APPROP		19,772,437.00	
TOTAL APPROP AMENDED		19,955,206.00	

			INCREASE	DECREASE
71	104050-4626	E&D TAP REVENUE	104,447.00	
72	104050-4609	YCTA - GENERAL FARES	2,055.00	
73	104050-4605	YCTA - WAMY FARES	3,000.00	
74	104069-4412	CRC - RENT	7,200.00	
75	104069-4498	CRC - MISC REVENUES	3,668.00	
76	104048-4531	JAIL FEES	4,000.00	
77	104042-4311	SALES TAX - ARTICLE 40	48,000.00	
78	104049-4550	BUILDING PERMITS	792.00	
79	104055-475003	WORK FIRST	8,052.00	
80	104055-475010	FOSTERCARE - IVE	1,555.00	

TOTALS	182,769.00		0.00
NET CHANGE		182,769.00	
CURRENT APPROP		19,772,437.00	
TOTAL APPROP AMENDED		19,955,206.00	

0.00

YANCEY COUNTY COMMISSIONERS

BUDGET AMENDMENT # 2

FUND: GRANT FUND

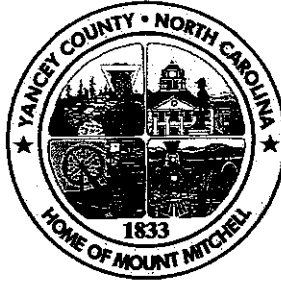
As entered in the minutes of the Yancey County Board of Commissioners at a meeting on Tuesday, December 4, 2012.

	EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
1	226113-5676	NAT ASSOC OF DRUGS GRANT	5,000.00	
2	226113-5675	HHS GRANT-BRD OF ELECT	15,100.00	
3				
4				
5				
TOTALS			20,100.00	0.00
NET CHANGE				20,100.00

			INCREASE	DECREASE
6	224000-450089	NAT ASSOC OF DRUGS GRANT	5,000.00	
7	224000-450090	HHS GRANT - BRD OF ELECT	15,100.00	
8				
TOTALS			20,100.00	0.00
NET CHANGE				20,100.00

0.00

Attachment C



YANCEY COUNTY

2013 Holiday Schedule

Holiday	Observance Date	Day of Week
New Year's Day	January 1, 2013	Tuesday
Martin Luther King Birthday	January 21, 2013	Monday
Good Friday	March 29, 2013	Friday
Memorial Day	May 27, 2013	Monday
Independence Day	July 4, 2013	Thursday
Mt. Mitchell Craft's Fair	August 2, 2013	Friday
Labor Day	September 2, 2013	Monday
Veterans Day	November 11, 2013	Monday
Thanksgiving Day	November 28 & 29 2013	Thursday & Friday
Christmas	December 24,25,26, 2013	Tuesday, Wednesday & Thursday

Attachment D



Western Highlands Network

A LOCAL MANAGEMENT ENTITY

Serving Buncombe, Henderson, Madison, Mitchell, Polk,
Rutherford, Transylvania, and Yancey Counties

November 05, 2012

Nathan Bennett
County Manager
Yancey County Courthouse, Room 11
Burnsville, NC 28714

Dear Mr. Bennett:

Enclosed please find the Western Highlands Area Authority's Fiscal Monitoring Report for the 2013 fiscal year 1st quarter, ending September 30, 2012. State Law requires the LME to provide the quarterly FMR to the County Finance Officer. This report is to be provided to the Board of County Commissioners at the next regularly scheduled meeting of the Board. I have cited Legislative Bill H2077 for easy reference:

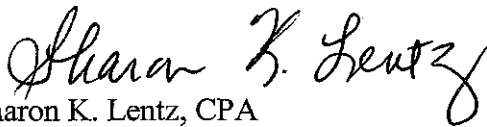
SECTION 3(a) G.S. 122C-117(c) reads as rewritten:

"(c) Within 30 days of the end of each quarter of the fiscal year, the area director and finance officer of the area authority shall provide the quarterly report of the area authority to the county finance officer. The county finance officer shall provide the quarterly report to the board of county commissioners at the next regularly scheduled meeting of the board. The clerk of the board of commissioners shall notify the area director and the county finance officer if the quarterly report required by this subsection has not been submitted within the required period of time. This information shall be presented in a format prescribed by the county. At least twice a year, this information shall be presented in person and shall be read into the minutes of the meeting at which it is presented. In addition, the area director or finance officer of the area authority shall provide to the board of county commissioners ad hoc reports as requested by the board of county commissioners."

Please don't hesitate to call if you have any questions.

Cordially,

Western Highlands Area Authority



Sharon K. Lentz, CPA
Chief Financial Officer

Enclosure

Quarterly Fiscal Monitoring Report - DMHDDSAS

LME / MCO NAME:

Western Highlands Area Authority

FOR THE PERIOD ENDING:

9/30/2012

of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

3

1. REPORT OF BUDGET VS. ACTUAL

Basis of Accounting:
(check one)

Cash x
Accrual

Basis of Accounting:		Cash	(1)	(2)	(3)	(4)	(5)	(6)
(check one)		Accrual	PRIOR YEAR		CURRENT YEAR			
ITEM			2011-2012		BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
	BUDGET	ACTUAL						
REVENUE								
Service Fees from LME-Delivered Services							-	#DIV/0!
Medicaid Pass Thru			6,720,000	3,712,082	500,000	5,284	494,716	4.23%
Interest Earned			32,500	11,158	20,000	2,738	17,262	54.76%
Rental Income			-	-	-	-	-	#DIV/0!
Budgeted Fund Balance * (Detail in Item 4, below)			6,168,350		400,000		400,000	0.00%
Other Local			133,600	182,779	-	44,335	(44,335)	#DIV/0!
Total Local Funds			13,054,450	3,906,019	920,000	52,357	867,643	22.76%
County Appropriations (by county, includes ABC Funds):								
Buncombe County			600,000	600,000	600,000	600,000	-	400.00%
Henderson County			528,612	528,612	528,612	235,806	292,806	178.43%
Madison County			30,000	30,000	30,000	-	30,000	0.00%
Mitchell County			18,000	18,000	18,000	-	18,000	0.00%
Polk County			74,991	74,991	74,991	74,991	-	400.00%
Rutherford County			102,168	102,168	102,168	102,168	-	400.00%
Transylvania County			99,261	99,261	99,261	99,261	-	400.00%
Yancey County			26,000	26,000	26,000	6,500	19,500	100.00%
Total County Funds			1,479,032	1,479,032	1,479,032	1,118,726	360,306	302.56%
LME Systems Admin. Funds (Cost Model)			3,023,676	3,023,676	-	-	-	#DIV/0!
DMH/DD/SAS Administrative Funds (% basis)			1,863,501	1,863,501	3,610,318	833,861	2,776,457	92.39%
DMH/DD/SAS Risk Reserve Funds (% basis)			310,583	-	601,720	-	601,720	0.00%
DMH/DD/SAS Services Funding			30,543,579	29,158,314	32,549,735	6,593,409	25,956,326	81.03%
DMA Capitation Funding			65,355,719	66,417,239	130,711,437	34,038,485	96,672,952	104.16%
DMA Risk Reserve Funding			1,333,790	1,355,454	2,667,580	694,663	1,972,917	104.16%
All Other State/Federal Funds			265,000	231,352	265,000	36,023	228,977	54.37%
Total State and Federal Funds			102,695,848	102,049,536	170,405,790	42,196,441	128,209,349	99.05%
TOTAL REVENUE			117,229,330	107,434,587	172,804,822	43,367,523	129,437,298	100.38%
EXPENDITURES:								
System Management/Administration/Care Coordination			15,346,899	10,995,897	23,656,767	4,567,484	19,089,283	77.23%
LME Provided Services							-	#DIV/0!
Provider Payments			97,035,388	99,222,603	147,669,023	37,495,114	110,173,909	101.57%
Merger Expenses							-	#DIV/0!
MCO Start-Up Expenses			3,238,782	1,837,059	-		-	#DIV/0!
All Other			1,608,261	1,512,389	1,479,032	941,347	537,685	254.58%
TOTAL EXPENDITURES			117,229,330	113,567,948	172,804,822	43,003,945	129,800,877	99.54%
CHANGE IN CASH BALANCE				(6,133,361)		363,578		
Beginning Unrestricted Fund Balance				6,125,241		2,020,710		
Balance in DMH/DD/SAS Risk Reserve				-		-		
Balance in DMA Risk Reserve				1,355,698		2,050,571		
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures			1.72%	2,020,710	2.14%	3,696,420		
2. CURRENT CASH POSITION								
			(1)	(2)	(3)	(4)	(5)	Allowance for Uncollectible Receivables
			30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)								
Account Receivable (Accrual Method)								
Current Cash in Bank								
3. SERVICE EXCEPTIONS (Provided Based on System Capability)								
Services authorized but not billed								
4. DETAIL ON BUDGETED FUND BALANCE								
					Budgeted	Year-to-Date	Balance	%
Payments to Providers					400,000	9,279	390,721	9.28%
MCO Start-up Expense							0	#DIV/0!
LME Merger Expense								#DIV/0!
Other (List):							0	#DIV/0!

* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area".

LME / MCO Director: *Sharon Lutz* Date: *10-31-2012* LME/MCO Finance Officer: *Charles E. Vinn* Date: *10-23-12* Area Board Chair: *11/2/2012*

cc: County Manager for each county within the catchment area.

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
 Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances

enter LME name Western Highlands Area Authority Local Management Entity
 for the period ending: September 30, 2012

ITEM	Explanation
Revenues	
<u>Medicaid Pass Thru :</u>	Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. The budget will be adjusted accordingly.
<u>Interest Earned :</u>	Actual interest earned has not met projections. We will monitor this budget and adjust accordingly.
<u>DMH/DD/SAS Services Funding :</u>	SFY13 Final Continuation Allocation included WHN's portion of the SFY12 \$20M statewide budget cut continued for another year as a non-recurring reduction. This was not included in the original budget. The budget will be adjusted accordingly.
<u>DMH/DD/SAS Risk Reserve Funds (% basis)</u>	DMH will not be funding risk reserve. We will remove this from the budget.
<u>All Other State/Federal Funds :</u>	Represents the Shelter Plus Care contract directly with the Federal govt. The funding billed can vary given the number of participants in the program. Our budgeted numbers represent the maximum grant.
Expenditures	
<u>All Other:</u>	These expenditures are county funds received in full from Buncombe County, Henderson County, Polk County, Rutherford County, Transylvania County and Yancey County and paid out to Provider Agencies in the first quarter thus creating this variance in the first quarter.

YCTA Grant Info:

5311 Grant

YCTA applies for this grant on a yearly basis to help offset the costs to the County for Transportation. This grant covers 85% of Administrative expenses and 90% of any Capital expenses.

As you will see in the budget, the county's match is 15% of Administrative and 10% of Capital.

5310 Grant

This grant is to help fund Elderly and Disabled trips (Dr, pharmacy, shopping, etc). YCTA applies for the grant every two years and it is matched by the county at 50% for operating. This pays everything from the driver's salary to gas and tires. Remember this grant covers a two year period.

BUDGET SUMMARY

October 2012 - June 2015

Legal Name:	YANCEY COUNTY TRANSPORTATION				
Address:	AUTHORITY 115 MITCHELL BRANCH RD RM 1 BURNSVILLE, NC 28714-2507				
County:	YANCEY COUNTY	Congressional District: 11			
Contact Person:	Lynn Austin				
Telephone:	+1 (828) 682-6144				
Fax:	+1 (828) 682-4625				
Email:	laustin@yanceycountync.gov				
Web Site:	yanceycountync.gov				
Federal ID Number:	56-6000453	DUNS Number: 029281094			
CFDA #					
Period of Performance:	Oct 1, 2012	to	Jun 30, 2015	Federal Billable/Non-Billable	Billable
Total Expenses				\$79,524	\$79,524
Total Contra Accts and Fare Revenue					
Total Net Expenses/Cost				\$79,524	\$79,524
	Total	Federal	Federal Non-Billing	NCDOT	Local
	100.00%	50.00%			50.00%
Total Funding	\$79,524	\$39,762	\$0	\$0	\$39,762
	DBE	MBE	WBE		
%					
Amount	\$0	\$0	\$0		

FY14 Elderly & Disabled Operating

Project Number : 2014_5310_Oper

**PROPOSED BUDGET
SALARY AND WAGE DETAIL**

Applicant : YANCEY COUNTY TRANSPORTATION

Object Code	Position Title	No.	Total Annual Salary	Pct. (%) Oper Transp. Tasks	No. of Years	Budgeted Amount	No.of Positions Approved	NCDOT Maximum Participation
G121 - OPERATIVE								
G121								
G121								
G121								
G121								
G121								
G121								
G121								
G121								
G121								
G121								
TOTAL G121 SALARIES								
G125 - OPERATIVE								
G125								
G125								
G125								
G125								
G125								
G125								
TOTAL G125 SALARIES								
G126 - OPERATIVE								
G126	3/4 DRIVER	1	\$13,806	100%	2	\$27,612	1	\$27,612
G126								
G126								
G126								
G126								
G126								
TOTAL G126 SALARIES		1				\$27,612	1	\$27,612
TOTAL SALARY & WAGE		1				\$27,612	1	\$27,612

FY14 Elderly & Disabled Operating

Applicant: YANCEY COUNTY TRANSPORTATION

Project Number : 2014_5310_Oper

PROPOSED BUDGET
EXPENSES

G120 Salaries and Wages			
G121	Full-time employees		
G122	Overtime		
G125	Part-time (receives benefits)		
G126	Temporary and part-time (receives no benefits)	\$27,612	\$27,612
G127	Longevity	\$0	\$0
Subtotal Salaries:		\$27,612	\$27,612
G180 Fringe Benefits			
G181	Social security contribution (7.65% of total salaries)	\$2,112	\$2,112
G182	Retirement contribution; total salaries X participating percentage \$13,806 X 7.02%	\$969	\$969
G183	Hospitalization insurance; cost per month X no. of months X no. of employees. \$643.00 X 24 X 1	\$15,432	\$15,432
G184	Disability insurance; cost per month X no. of months X no. of employees. \$11.00 X 24 X 1	\$264	\$264
G185	Unemployment compensation; Number of Employees: 1	\$297	\$297
G186	Workers compensation; Number of Employees: 1	\$450	\$450
G189	Other: CHRISTMAS BONUS AND LIFE INS.	\$242	\$242
Subtotal Fringe:		\$19,766	\$19,766
TOTAL SALARY & FRINGE:		\$47,378	\$47,378
G190 Professional Services			
G191	Accounting	\$0	\$0
G192	Legal	\$0	\$0
G195	Management Consultant	\$0	\$0
G196	Drug & Alcohol Testing Contract	\$0	\$0
G197	Drug & Alcohol tests Provide # of employees in test pool: 1	\$170	\$170
G198	Medical review officer	\$0	\$0
G199	Other:	\$0	\$0
G200 Supplies and Materials			
G211	Janitorial Supplies - (Housekeeping)	\$0	\$0
G212	Uniforms	\$150	\$150
G233	First Aid supplies (replacement)	\$0	\$0
G251	Motor Fuels and Lubricants	\$15,000	\$15,000
G252	Tires and Tubes	\$1,612	\$1,612
G253	Associated Capital Maint	\$0	\$0

G254	Licenses, tags and fees	\$20	\$20
G255	Vehicle cleaning supplies	\$350	\$350
G256	Hand tools	\$0	\$0
G257	Vehicle signs & Paint Supplies	\$0	\$0
G258	Vehicle touch up paint (non-contract)	\$0	\$0
G259	Other:	\$0	\$0
G261	Office Supplies and Materials	\$0	\$0
G281	Air Conditioner / Furnace Filters	\$0	\$0
G291	Computer Supplies	\$0	\$0
G292	Fire Extinguisher- recharging system	\$0	\$0
G300	Travel and Transportation (other than employee development)		
G311	Travel: Anticipated trips:	\$0	\$0
G312	Travel subsistence	\$0	\$0
G313	Transportation of clients/others	\$0	\$0
G314	Travel - Motor-pool or leased vehicles (Does NOT include vehicles used in the provision of contracted transportation services.)	\$0	\$0
G320	Communications		
G321	Telephone Service	\$0	\$0
G322	Internet Service Fee	\$0	\$0
G323	Combined Service Fee	\$0	\$0
G325	Postage	\$0	\$0
G329	Other Communications:	\$0	\$0
G330	Utilities		
G331	Electricity	\$0	\$0
G332	Fuel oil	\$0	\$0
G333	Natural Gas	\$0	\$0
G334	Water	\$0	\$0
G335	Sewer	\$0	\$0
G336	Trash collection	\$0	\$0
G337	Single/combined utility bill	\$0	\$0
G339	Other:	\$0	\$0
G340	Printing and Binding		
G341	Printing and reproduction	\$400	\$400
G349	Other:	\$0	\$0
G350	Repairs and Maintenance		
G353	Vehicles (use 257/258 for vehicle signs & in-house paint supplies)		
G354	Shop equipment	\$0	\$0
G355	Office and computer equipment	\$0	\$0
G357	Communications equipment	\$400	\$400
G358	Other Repairs and Maintenance - Office Related		
G359	Other-Describe:	\$0	\$0
G370	Advertising/Promotion		

G371	Marketing (paid ads, marketing firm, etc.) Describe: Radio Ads, newspaper ads , and brochures Minimum Amount (2% of Admin Budget): \$1,525			\$600	\$600
G372	Promotional items Describe: Tote Bags, Key Rings, pens, etc Maximum Amount (25% of G371 Total Cost): \$150			\$150	\$150
G373	Other:				
G380	Computer Support Services (contracted)				
G381	Computer programming services			\$0	\$0
G382	Computer support/technical assistance			\$0	\$0
G390	Other Services				
G391	Legal advertising			\$300	\$300
G392	Laundry and dry cleaning			\$0	\$0
G393	Temporary help services			\$0	\$0
G394	Cleaning services			\$0	\$0
G395	Training - Employee Education Expense			\$0	\$0
G396	Management services (contracted transit system mgmt/admin services)			\$0	\$0
G398	Security services			\$0	\$0
G399	Other:			\$0	\$0
G410	Rental of Real Property (include copy of current lease agreement)				
G412	Rent of building X number of monthly payments				
		X			
G413	Rent of offices X number of monthly payments				
		X			
G419	Other:				
G420	Lease of Computer Equipment				
G421	Lease of Computer Hardware			\$0	\$0
G422	Lease of Computer Software			\$0	\$0
G430	Lease of Equipment				
G431	Lease of Reproduction equipment			\$0	\$0
G432	Lease of Postage Meter			\$0	\$0
G433	Lease of Communications equipment (includes radio, cable lines and antennae)			\$0	\$0
G439	Other:			\$0	\$0
G440	Service and Maintenance Contracts				
G441	Communications equipment			\$0	\$0
G442	Office equipment			\$0	\$0
G443	Reproduction equipment			\$0	\$0
G444	Vehicles				
G445	Computer equipment			\$0	\$0
G446	Tires				
G448	Other Service and Maintenance Contracts - Office Related				
G449	Other:			\$0	\$0
G450	Insurance and Bonding				

G451	Property and general liability (does not include vehicle insurance)		\$0	\$0
G452	Vehicles			
	Number of Fleet Vehicle: 1 Maximum Amount: \$2,500		\$2,500	\$2,500
G453	Fidelity		\$0	\$0
G454	Professional liabilities		\$0	\$0
G455	Special liabilities			
G480	Indirect Costs			
G481	Central services: (budget direct cost base) X (percentage rate)			
	\$47,378 X 22.15% Maximum Amount \$10,494.23		\$10,494	\$10,494
	Prior approval of Indirect Cost Percentage Rate required. Questions should be directed to NCDOT Financial Management			
G490	Other Fixed Charges			
G491	Dues and subscriptions:		\$0	\$0
G499	Other: 0		\$0	\$0
G600	Private / Public Operator Contracts - Purchase Services			
G611	Direct purchase of service from privately owned provider		\$0	\$0
G612	User side subsidy		\$0	\$0
G621	Volunteer reimbursement		\$0	\$0
G641	Direct purchase of service from publicly owned provider		\$0	\$0
	Total Expenses:		\$79,524	\$79,524
OPERATING REVENUES				
	Contra Account			
G821	General Fund			
G822	Capital Reserve Fund			
G832	N.C. Sales Taxes			
G833	N.C. Gas Tax Refund			
G834	County Sales Taxes			
G836	Fed Gas Tax Refund			
G839	Other Taxes			
G841	Charter Expenses			
G842	Garage Services			
G843	Advertising Expenses			
G844	Insurance Settlement			
G847	Inc Elderly/Disable			
G849	Other Contra Accts			
G991	Contingency/Prog Res			
	TOTAL CONTRA ACCOUNTS:			
F500	Fare Revenue			
F511	General Public Fares			
F521	Prepaid Fares/Bulk Discounts			
F522	Senior Citizen Fares			
F523	Student Fares			
F524	Child Fares			
F525	Paratransit Fares			

F533	Special Route Guarantees		
F529	Other Special Fares:		
TOTAL FARE REVENUES:			
TOTAL CONTRA ACCOUNTS AND FARE REVENUES:			
TOTAL EXPENSES LESS TOTAL CONTRA ACCOUNTS AND FARE REVENUES = TOTAL NET OPERATING EXPENSES (TNOE):		\$79,524	\$79,524
R400	Contract Service Revenue		
R411	Aging Program		
R412	Department of Social Services		
R413	Sheltered Workshop		
R414	Mental Health Program(s)		
R415	Health Department		
R416	Community Action Program		
R417	Head Start Program		
R418	Daycare		
R419	Medical		
R420	Parks and Recreation		
R421	Public/Private School		
R422	Teen Parent		
R423	Community Living Skills		
R424	Hospital		
R425	Community College		
R426	College/University		
R427	Aging Program Supplement		
R428	Child Development		
R429	Work First		
R431	Blind Services		
R432	Vocational Rehabilitation		
R433	Community Services Block Grant		
R434	Smart Start		
R435	Agricultural Extension		
R436	JTPA		
R437	Nursing Home		
R438	Rest Home		
R439	Private Individual		
R440	Elderly and Disabled Transportation Assistant Program (EDTAP)	\$8,000	\$8,000
R430	Other:		
TOTAL CONTRACT SERVICE REVENUE:		\$8,000	\$8,000
	Miscellaneous Revenue and Income		
R385	Advertising Profits	\$0	\$0
R497	Investment Income	\$0	\$0
R811	Sale of materials and scrap	\$0	\$0
R821	Sale proceeds from fixed assets	\$0	\$0
R844	Cash Donations	\$0	\$0

R861	Rental Income		\$0	\$0
R891	Other revenue not elsewhere classified:		\$0	\$0
TOTAL MISCELLANEOUS REVENUE AND INCOME:			\$0	\$0
	Local Match			
R264	Federal Vocational Rehabilitation			
R265	Federal Older Americans Act – Title III Fund			
R269	Other non-DOT grant (Specify):			
R362	State Operating - SMAP			
R364	State Operating - RGP		\$10,186	\$10,186
R369	Non-federal grant (Specify):			
R372	Local Cash (list each source):			
	Heritage Adult Day	\$4,554		
	COA	\$8,762		
	Mental Health Assoc.	\$480		
	Yancey Residential Services	\$7,780		
			\$21,576	\$21,576
TOTAL LOCAL MATCH:			\$31,762	\$31,762
A	TOTAL CONTRACT SERVICE REVENUE + TOTAL MISC. REVENUE AND INCOME + TOTAL LOCAL MATCH MUST BE AT LEAST 50.00% OF TNOE (\$39,762)		\$39,762	\$39,762

PUBLIC TRANSPORTATION PROGRAM RESOLUTION

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for public transportation projects; and

WHEREAS, the purpose of the Section 5310 program is to provide financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals and individuals with disabilities in all areas—urbanized, small urban, and rural; and

WHEREAS, the purpose of the Section 5316 program is to improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities; and

WHEREAS, the purpose of the Section 5317 program is to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990 by providing funding assistance that supports new public transportation services and/or new public transportation alternatives beyond those required by the ADA; and

WHEREAS, NCDOT has been designated as the State agency with principal authority and responsibility for administering the Section 5310 program for all areas—urbanized, small urban, and rural; and

WHEREAS, NCDOT has been designated as the State agency with principal authority and responsibility for administering the Section 5316 and 5317 programs for small urban and rural areas; and

WHEREAS, (Legal Name of Applicant) Yancey County Transportation Authority hereby assures and certifies that it will comply with the federal and state statutes, regulations, executive orders, and all administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U. S. C.

NOW, THEREFORE, be it resolved that the (Authorized Official's Title)* Yancey County Transportation Authority Director, Lynn Austin of (Name of Applicant's Governing Body) Yancey County is hereby authorized to submit a grant application for federal and state funding, provide the required local match, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide public transportation services.

I (Certifying Official's Name)* _____ (Certifying Official's Title) _____ do hereby certify that the above is a true and correct copy of an excerpt from the minutes of a meeting of the (Name of Applicant's Governing Board) _____ duly held on the _____ day of _____, _____.

Signature of Certifying Official

***Note that the authorized official, certifying official, and notary public should be three separate individuals.**

Seal/ Subscribed and sworn to me (date) _____

*Notary Public **

Printed Name and Address

My commission expires (date) _____

Affix Seal Here

BUDGET SUMMARY

November 2011 - June 2013

Legal Name:	YANCEY COUNTY TRANSPORTATION				
Address:	AUTHORITY 115 MITCHELL BRANCH RD RM 1 BURNSVILLE, NC 28714-2507				
County:	YANCEY COUNTY	Congressional District: 11			
Contact Person:	Lynn Austin				
Telephone:	+1 (828) 682-6144				
Fax:	+1 (828) 682-4625				
Email:	laustin@yanceycountync.gov				
Web Site:	yanceycountync.gov				
Federal ID Number:	56-6000453	DUNS Number: 029281094			
CFDA #					
Period of Performance:	Nov 1, 2011	to	Jun 30, 2013	Federal Billable/Non-Billable	Billable
Total Expenses			\$144,953	\$144,953	
Total Contra Accts and Fare Revenue					
Total Net Expenses/Cost			\$144,953	\$144,953	
	Total	Federal	Federal Non-Billing	NCDOT	Local
	100.00%	80.00%		5.00%	15.00%
Total Funding	\$144,953	\$115,962	\$0	\$7,247	\$21,744
	DBE	MBE	WBE		
%	0.95%				
Amount	\$1,377	\$0	\$0		

**PROPOSED BUDGET
SALARY AND WAGE DETAIL**

Applicant : YANCEY COUNTY TRANSPORTATION

Object Code	Position Title	No.	Total Annual Salary	Pct. (%) Oper Transp. Tasks	No. of Years	Budgeted Amount	No. of Positions Approved	NCDOT Maximum Participation
G121	Director	1	\$34,170	100%	1	\$34,170	1	\$34,170
G121	Admin. Assistant	1	\$25,290	100%	1	\$25,290	1	\$25,290
G121								
G121								
G121								
G121								
G121								
G121								
G121								
G121								
TOTAL G121 SALARIES		2				\$59,460	2	\$59,460
G125								
G125								
G125								
G125								
G125								
G125								
TOTAL G125 SALARIES								
G126	Office Asssistant	1	\$7,800	100%	1	\$7,800	1	\$7,800
G126								
G126								
G126								
G126								
G126								
TOTAL G126 SALARIES		1				\$7,800	1	\$7,800
TOTAL SALARY & WAGE		3				\$67,260	3	\$67,260

FY13 Community Transportation Admin.

Applicant: YANCEY COUNTY TRANSPORTATION

Project Number : 14-CT-009

PROPOSED BUDGET
EXPENSES

G120	Salaries and Wages		
G121	Full-time employees	\$59,460	\$59,460
G122	Overtime	\$0	\$0
G125	Part-time (receives benefits)		
G126	Temporary and part-time (receives no benefits)	\$7,800	\$7,800
G127	Longevity	\$0	\$0
Subtotal Salaries:		\$67,260	\$67,260
G180	Fringe Benefits		
G181	Social security contribution (7.65% of total salaries)	\$5,145	\$5,145
G182	Retirement contribution; total salaries X participating percentage \$59,460 X 7.02%	\$4,174	\$4,174
G183	Hospitalization insurance; cost per month X no. of months X no. of employees. \$970.42 X 12 X 2	\$23,290	\$23,290
G184	Disability insurance; cost per month X no. of months X no. of employees. \$11.42 X 12 X 2	\$274	\$274
G185	Unemployment compensation; Number of Employees: 3	\$595	\$595
G186	Workers compensation; Number of Employees: 3	\$915	\$915
G189	Other:		
Subtotal Fringe:		\$34,393	\$34,393
TOTAL SALARY & FRINGE:		\$101,653	\$101,653
G190	Professional Services		
G191	Accounting	\$0	\$0
G192	Legal	\$0	\$0
G195	Management Consultant	\$0	\$0
G196	Drug & Alcohol Testing Contract	\$125	\$125
G197	Drug & Alcohol tests Provide # of employees in test pool: 14	\$650	\$650
G198	Medical review officer	\$0	\$0
G199	Other:		
G200	Supplies and Materials		
G211	Janitorial Supplies - (Housekeeping)	\$400	\$400
G212	Uniforms	\$770	\$770
G233	First Aid supplies (replacement)	\$150	\$150
G251	Motor Fuels and Lubricants		
G252	Tires and Tubes		
G253	Associated Capital Maint		

G254	Licenses, tags and fees	\$0	\$0
G255	Vehicle cleaning supplies	\$400	\$400
G256	Hand tools	\$0	\$0
G257	Vehicle signs & Paint Supplies	\$0	\$0
G258	Vehicle touch up paint (non-contract)	\$0	\$0
G259	Other:	\$0	\$0
G261	Office Supplies and Materials	\$800	\$800
G281	Air Conditioner / Furnace Filters	\$0	\$0
G291	Computer Supplies	\$200	\$200
G292	Fire Extinguisher- recharging system	\$0	\$0
G300	Travel and Transportation (other than employee development)		
G311	Travel: Anticipated trips: 1 NCDOT Conference, 1 NCPTA/NCDOT Conference, Boone Regional Meeting	\$800	\$800
G312	Travel subsistence	\$900	\$900
G313	Transportation of clients/others	\$0	\$0
G314	Travel - Motor-pool or leased vehicles (Does NOT include vehicles used in the provision of contracted transportation services.)	\$0	\$0
G320	Communications		
G321	Telephone Service	\$4,000	\$4,000
G322	Internet Service Fee	\$516	\$516
G323	Combined Service Fee	\$0	\$0
G325	Postage	\$100	\$100
G329	Other Communications:		
G330	Utilities		
G331	Electricity	\$0	\$0
G332	Fuel oil	\$0	\$0
G333	Natural Gas	\$0	\$0
G334	Water	\$0	\$0
G335	Sewer	\$0	\$0
G336	Trash collection	\$0	\$0
G337	Single/combined utility bill	\$0	\$0
G339	Other:	\$0	\$0
G340	Printing and Binding		
G341	Printing and reproduction	\$600	\$600
G349	Other:	\$0	\$0
G350	Repairs and Maintenance		
G353	Vehicles (use 257/258 for vehicle signs & in-house paint supplies)		
G354	Shop equipment	\$0	\$0
G355	Office and computer equipment	\$100	\$100
G357	Communications equipment	\$800	\$800
G358	Other Repairs and Maintenance - Office Related		
G359	Other-Describe:		
G370	Advertising/Promotion		

G371	Marketing (paid ads, marketing firm, etc.) Describe: Newspaper ads, Radio Ads, etc. Minimum Amount (2% of Admin Budget): \$2,584	\$2,358	\$2,358
G372	Promotional items Describe: Calendars, Brochures, Pens, Pill Boxes, ETC Maximum Amount (25% of G371 Total Cost): \$590	\$590	\$590
G373	Other:		
G380	Computer Support Services (contracted)		
G381	Computer programming services	\$0	\$0
G382	Computer support/technical assistance	\$0	\$0
G390	Other Services		
G391	Legal advertising	\$400	\$400
G392	Laundry and dry cleaning	\$0	\$0
G393	Temporary help services	\$0	\$0
G394	Cleaning services	\$0	\$0
G395	Training - Employee Education Expense	\$500	\$500
G396	Management services (contracted transit system mgmt/admin services)	\$0	\$0
G398	Security services	\$0	\$0
G399	Other:	\$0	\$0
G410	Rental of Real Property (include copy of current lease agreement)		
G412	Rent of building X number of monthly payments <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin-right: 5px;"></div> <div style="margin-right: 5px;">X</div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </div>		
G413	Rent of offices X number of monthly payments <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin-right: 5px;"></div> <div style="margin-right: 5px;">X</div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </div>		
G419	Other:		
G420	Lease of Computer Equipment		
G421	Lease of Computer Hardware	\$0	\$0
G422	Lease of Computer Software	\$0	\$0
G430	Lease of Equipment		
G431	Lease of Reproduction equipment	\$0	\$0
G432	Lease of Postage Meter	\$0	\$0
G433	Lease of Communications equipment (includes radio, cable lines and antennae)	\$0	\$0
G439	Other:		
G440	Service and Maintenance Contracts		
G441	Communications equipment	\$1,955	\$1,955
G442	Office equipment	\$0	\$0
G443	Reproduction equipment	\$0	\$0
G444	Vehicles		
G445	Computer equipment	\$0	\$0
G446	Tires		
G448	Other Service and Maintenance Contracts - Office Related		
G449	Other:	\$0	\$0
G450	Insurance and Bonding		

G451	Property and general liability (does not include vehicle insurance)		\$0	\$0
G452	Vehicles			
	Number of Fleet Vehicle: 11 Maximum Amount: \$27,500		\$12,782	\$12,782
G453	Fidelity		\$0	\$0
G454	Professional liabilities		\$0	\$0
G455	Special liabilities		\$0	\$0
G480	Indirect Costs			
G481	Central services: (budget direct cost base) X (percentage rate)			
	\$97,479 X 22.15% Maximum Amount \$21,591.6		\$13,004	\$13,004
	Prior approval of Indirect Cost Percentage Rate required. Questions should be directed to NCDOT Financial Management			
G490	Other Fixed Charges			
G491	Dues and subscriptions:		\$400	\$400
G499	Other:			
G600	Private / Public Operator Contracts - Purchase Services			
G611	Direct purchase of service from privately owned provider		\$0	\$0
G612	User side subsidy		\$0	\$0
G621	Volunteer reimbursement		\$0	\$0
G641	Direct purchase of service from publicly owned provider		\$0	\$0
	Total Expenses:		\$144,953	\$144,953
OPERATING REVENUES				
	Contra Account			
G821	General Fund			
G822	Capital Reserve Fund			
G832	N.C. Sales Taxes			
G833	N.C. Gas Tax Refund			
G834	County Sales Taxes			
G836	Fed Gas Tax Refund			
G839	Other Taxes			
G841	Charter Expenses			
G842	Garage Services			
G843	Advertising Expenses			
G844	Insurance Settlement			
G847	Inc Elderly/Disable			
G849	Other Contra Accts			
G991	Contingency/Prog Res			
	TOTAL CONTRA ACCOUNTS:			
F500	Fare Revenue			
F511	General Public Fares			
F521	Prepaid Fares/Bulk Discounts			
F522	Senior Citizen Fares			
F523	Student Fares			
F524	Child Fares			
F525	Paratransit Fares			

F533	Special Route Guarantees		
F529	Other Special Fares:		
TOTAL FARE REVENUES:			
TOTAL CONTRA ACCOUNTS AND FARE REVENUES:			
TOTAL EXPENSES LESS TOTAL CONTRA ACCOUNTS AND FARE REVENUES = TOTAL NET OPERATING EXPENSES (TNOE):		\$144,953	\$144,953

FY14 Community Transportation Capital

Project Number : 14-CT-009

CAPITAL BUDGET SUMMARY

October 2012 - June 2014

Legal Name:	YANCEY COUNTY TRANSPORTATION				
Address:	AUTHORITY 115 MITCHELL BRANCH RD RM 1 BURNSVILLE, NC 28714-2507				
County:	YANCEY COUNTY	Congressional District: 11			
Contact Person:	Lynn Austin				
Telephone:	+1 (828) 682-6144				
Fax:	+1 (828) 682-4625				
Email:	laustin@yanceycountync.gov				
Web Site:	yanceycountync.gov				
Federal ID Number:	56-6000453	DUNS Number: 029281094			
CFDA #:					
Period of Performance:	Oct 1, 2012	to	Jun 30, 2014	Federal Billable/Non-Billable	Billable
Replacement Vehicles				\$82,000	\$82,000
Expansion Vehicles				\$0	\$0
Other Capital Expenses				\$2,496	\$2,496
Advanced Technology Expenses					
Baseline Technology Expenses					
Facility Improvement Expenses					
Total				\$84,496	\$84,496
	Total	Federal	Federal Non-Billing	NCDOT	Local
	100.00%	80.00%		10.00%	10.00%
Total Funding	\$84,496	\$67,596	\$0	\$8,449	\$8,451
	DBE	MBE	WBE		
%					
Amount	\$0	\$0	\$0		

PROPOSED PROJECT BUDGET

CAPITAL EXPENSES

Applicant: YANCEY COUNTY TRANSPORTATION

ROLLING STOCK: REPLACEMENT VEHICLES						
G541	35- to 40-Ft. HD Low Floor Transit Bus (Replacement) - 12 yr. Bus Heavy duty 2010-EPA diesel bus built as an integral unit.	\$410,000		\$0		\$0
	Alternative fuel engine - Hybrid Electric	\$250,000		\$0		\$0
	Optional Engine - CNG					
	Optional Engine - Natural Gas					
				\$0		\$0
G542	30- to 35-Ft. MD Low Floor Transit Bus (Replacement) - 10 yr. Bus Medium duty 2010-EPA diesel bus built as an integral unit.	\$385,000		\$0		\$0
	Alternative fuel engine - Hybrid Electric	\$200,000		\$0		\$0
	Optional Engine - CNG					
	Optional Engine - Natural Gas					
				\$0		\$0
G543	20' Light Transit Vehicle (Replacement) – Body-on-chassis type vehicle (Cutaway van chassis); retaining the van-type cab; offering increased headroom and wider body; max. capacity - 13 passengers (may be driven w/o CDL)	\$46,800		\$0		\$0
	Optional Engine - Hybrid Electric					
	Optional Engine - Diesel					
	Brake Retarder					
				\$0		\$0
FLOOR PLAN WEB SITE: http://www.ncdot.org/includes/download/external.html?pdf=http%3A/www.ncdot.org/transit/nctransit/download/VFPlans/20ftLTVFloorPlans.pdf						
G545	Van Conversion (Replacement) – Modified standard van; RAISED ROOF; school bus door entry; lowered stepwell; NO LIFT ; maximum capacity-12 passengers.	\$41,000	2	\$82,000	2	\$82,000
	FLOOR PLAN WEB SITE: http://www.ncdot.org/includes/download/external.html?pdf=http%3A/www.ncdot.org/transit/nctransit/download/VFPlans/ConversionVanFloorPlans.pdf					

G555	Mobile Radio Unit - 2-way radio installed in vehicle Attach estimate of cost from vendor. Watts: 50					
	New	2	\$748	\$1,496	2	\$1,496
	Replacement					
	Hand-held Radio Unit - portable 2-way radio (limit 2 per transit system) Attach estimate of cost from vendor. Watts:					
	New					
	Replacement					
					\$1,496	\$1,496
G556	Telephone equipment - Individual telephone instruments (does not include new or replacement telephone systems – see G524 in Facility Improvements); may include cellular (digital) phones. List one item per line, the no. per item, and the estimated cost.					
G557	Fareboxes - Coin collection unit installed on vehicle. List item and indicate no. of units: Attach estimated cost & type.					
	New					
	Replacement					
G559	Other Equipment - Specify item if not listed above. List one item per line, the no. per item, and the estimated cost. Provide one cost estimate for each item requested.					
G585	Bus Stop Signs - Sign used to indicate location where passengers can board or exit a public transit vehicle. *Do not request Bus Stop Shelters/Benches here. Must request in Facility Improve.					
	Bus Stop Sign(s)					
G591	Vehicle Lettering & Logos - Cost of lettering and/or logos and the labor involved in having the transit system name, phone number, and/or logo applied to vehicles. Costs to be incurred by using a local vendor.					
	Vehicle Lettering & Logos	2	\$500	\$1,000	2	\$1,000

G611	Direct Purchase of Service (Private) Purchase of transportation services from a privately owned transportation provider.			
G612	User Side Subsidy Purchase of service contract in which the passenger (user) pays for a portion of the full fare.			
G621	Volunteer Reimbursement Reimbursement to volunteers for mileage on personal vehicle for public transportation.			
G641	Direct Purchase of Service (Public) Purchase of transportation services from a publicly owned transportation provider.			
TOTAL OTHER CAPITAL EXPENSES:		\$2,496		\$2,496

COMMUNITY TRANSPORTATION PROGRAM RESOLUTION

Section 5311 FY 2014 RESOLUTION

Applicant seeking permission to apply for Community Transportation Program funding, enter into agreement with the North Carolina Department of Transportation, provide the necessary assurances and the required local match.

A motion was made by (Board Member's Name) Commissioner Austin and seconded by (Board Member's Name or N/A, if not required) Commissioner Whitson for the adoption of the following resolution, and upon being put to a vote was duly adopted.

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

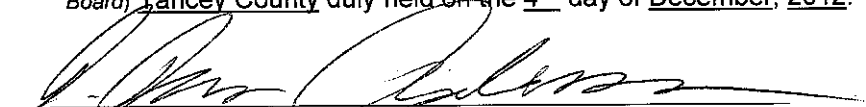
WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for rural public transportation projects; and

WHEREAS, the purpose of these transportation funds is to provide grant monies to local agencies for the provision of rural public transportation services consistent with the policy requirements for planning, community and agency involvement, service design, service alternatives, training and conference participation, reporting and other requirements (drug and alcohol testing policy and program, disadvantaged business enterprise program, and fully allocated costs analysis); and

WHEREAS, (Legal Name of Applicant) Yancey County Transportation Authority hereby assures and certifies that it will provide the required local matching funds; that its staff has the technical capacity to implement and manage the project, prepare required reports, obtain required training, attend meetings and conferences; and agrees to comply with the federal and state statutes, regulations, executive orders, Section 5333 (b) Warranty, and all administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U. S. C.

NOW, THEREFORE, be it resolved that the (Authorized Official's Title)* Yancey County Transportation Authority, Director Lynn Austin of (Name of Applicant's Governing Body) Yancey County is hereby authorized to submit a grant application for federal and state funding, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide rural public transportation services.

I (Certifying Official's Name)* J. Jason Robinson (Certifying Official's Title) Clerk to the Board of Commissioners do hereby certify that the above is a true and correct copy of an excerpt from the minutes of a meeting of the (Name of Applicant's Governing Board) Yancey County duly held on the 4th day of December, 2012.


Signature of Certifying Official

*Note that the authorized official, certifying official, and notary public should be three separate individuals.

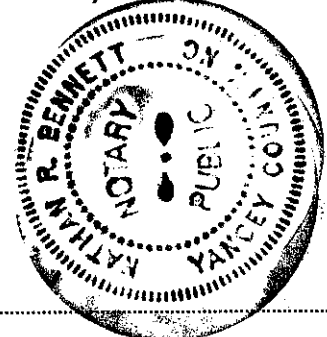
Seal/ Subscribed and sworn to me (date) 12-4-2012



Notary Public*
Nathan R. Bennett
14676 Green Mountain Dr., Burnsville NC
Printed Name and Address

My commission expires (date) 11-11-2017

Affix Notary Seal Here



PUBLIC TRANSPORTATION PROGRAM RESOLUTION

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for public transportation projects; and

WHEREAS, the purpose of the Section 5310 program is to provide financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of elderly individuals and individuals with disabilities in all areas—urbanized, small urban, and rural; and

WHEREAS, the purpose of the Section 5316 program is to improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities; and

WHEREAS, the purpose of the Section 5317 program is to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the ADA of 1990 by providing funding assistance that supports new public transportation services and/or new public transportation alternatives beyond those required by the ADA; and

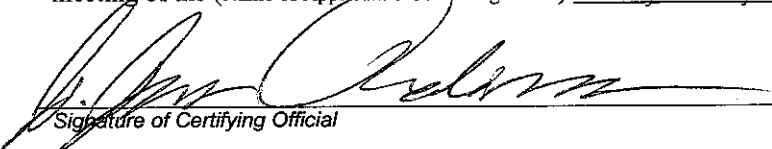
WHEREAS, NCDOT has been designated as the State agency with principal authority and responsibility for administering the Section 5310 program for all areas—urbanized, small urban, and rural; and

WHEREAS, NCDOT has been designated as the State agency with principal authority and responsibility for administering the Section 5316 and 5317 programs for small urban and rural areas; and

WHEREAS, (Legal Name of Applicant) Yancey County Transportation Authority hereby assures and certifies that it will comply with the federal and state statutes, regulations, executive orders, and all administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U. S. C.


NOW, THEREFORE, be it resolved that the (Authorized Official's Title)* Yancey County Transportation Authority Director, Lynn Austin of (Name of Applicant's Governing Body) Yancey County is hereby authorized to submit a grant application for federal and state funding, provide the required local match, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide public transportation services.

I (Certifying Official's Name)* J. Jason Robinson (Certifying Official's Title) Clerk to the Board of Commissioners do hereby certify that the above is a true and correct copy of an excerpt from the minutes of a meeting of the (Name of Applicant's Governing Board) Yancey County Commissioners duly held on the 4th day of December, 2012.

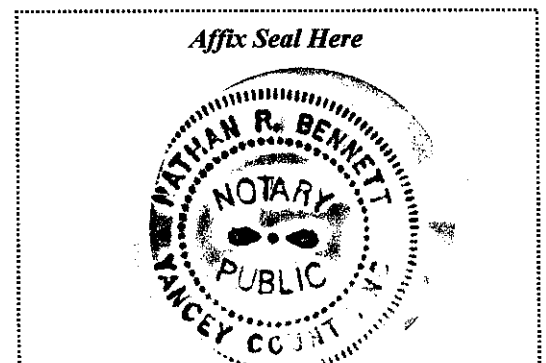

Signature of Certifying Official

**Note that the authorized official, certifying official, and notary public should be three separate individuals.*

Seal Subscribed and sworn to me (date) 12-4-2012


Notary Public *
Nathan R. Bennett
1467 Green Mountain Dr., Burnsville, NC
Printed Name and Address

My commission expires (date) 11-11-2017



Attachment P

YANCEY COUNTY, NORTH CAROLINA

Compliance Reports

June 30, 2012

YANCEY COUNTY, NORTH CAROLINA
Compliance Reports

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YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through N.C. Department of Health and Human Services:			
Division of Social Services:			
Supplemental Nutrition Assistance Program Cluster:			
State Administrative Matching Grants:			
State Administrative Matching Grants for the	10.561	\$ 189,613	\$ -
Supplemental Nutrition Assistance Program	10.551	4,413	-
Food and Nutrition Services Incentive		<u>194,026</u>	<u>-</u>
Total Food Stamp Cluster			
Passed-through the Office of State Budget and Management:			
National Forest Service receipts	10.665	78,447	-
Natural Resources Conservation Service:			
Passed through N.C. Department of Crime Control and Public Safety			
Emergency Watershed Protection and Flood Prevention	10.904	<u>2,369</u>	<u>790</u>
Total U.S. Department of Agriculture		<u>274,842</u>	<u>790</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the N.C. Department of Commerce CDBG—Scattered Site Block Grant	14.228	<u>92</u>	<u>-</u>
<u>U.S. Department of Transportation</u>			
<u>Passed-through N.C. Department of Transportation:</u>			
Non-urbanized Area Formula Program, 11-CT-009 (Administration)	20.509	24,682	1,542
Non-urbanized Area Formula Program, 11-CT-009 (Capital)	20.509	23,978	2,997
Non-urbanized Area Formula Program, 12-CT-009 (Administration)	20.509	80,653	5,040
Non-urbanized Area Formula Program, 12-CT-009 (Capital)	20.509	<u>32,507</u>	<u>4,064</u>
Total U.S. Department of Transportation		<u>161,820</u>	<u>13,643</u>

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through N.C. Department of Health and Human Services:			
Division of Social Services:			
Foster Care and Adoption (Note B):			
Administration:			
Title IV-E Foster Care	93.658	\$ 258,199	\$ 39,467
Title IV-E Adoption Assistance	93.659	31,815	-
Direct Benefit Payments:			
Title IV-E Foster Care	93.658	240,944	62,094
Title IV-E Adoption Assistance	93.659	287,299	77,661
Total Foster Care and Adoption (Note B)		<u>818,257</u>	<u>179,222</u>
Administration:			
Low-Income Home Energy Assistance	93.568	75,356	-
Crisis Intervention	93.568	191,006	-
Family Preservation	93.556	3,471	-
IV-D Administration	93.563	38,346	-
Permanency Planning:			
Child Welfare Services	93.645	5,296	-
Direct Benefit Payments:			
TANF	93.558	139,857	-
CFCIP	93.674	2,370	-
Social Services Block Grant--Other Services and			
Training	93.667	82,102	8,166
N.C. Health Choice	93.767	15,872	930
LINKS	93.674	12,412	3,103
TANF--Work First	93.558	181,428	-
TANF--Domestic Violence	93.558	13,374	-
AFDC Payments and Penalties	93.560	(68)	(19)
Division of Aging:			
Division of Social Services:			
Social Services Block Grant:			
Adult Day Care	93.667	39,969	25,729
In-Home Services	93.667	177	-
Adult Protective Services	93.667	15,779	-

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Health and Human Services, Continued</u>			
Passed-through N.C. Department of Health and Human Services, Continued:			
Division of Child Development:			
Subsidized Child Care (Note B):			
Child Care Development Fund Cluster:			
Division of Social Services:			
Child Care Development Fund-- Administration	93.596	\$ 100,423	\$ 3,557
Division of Child Development:			
Child Care and Development Fund-- Discretionary	93.575	128,790	-
Child Care and Development Fund-- Mandatory	93.596	47,450	-
Total Child Care Development Fund Cluster		276,663	3,557
TANF	93.558	47,964	-
ARRA--TANF	93.714	3,830	-
TANF Child Care	93.558	10,089	-
TANF IV-E Foster Care	93.658	1,716	-
Smart Start	N/A	-	9
State Appropriations	N/A	-	37,809
TANF--MOE	N/A	-	10,773
Total Subsidized Child Care (Note B)		340,262	52,148
Division of Medical Assistance:			
Administration:			
Title XIX--Medicaid	93.778	293,846	38,998
Direct Benefit Payments:			
Title XIX--Medicaid	93.778	17,406,022	10,167,961
Total U.S. Department of Health and Human Services		19,675,134	10,476,238
<u>U.S. Department of Energy</u>			
Passed-through the Office of Science:			
Energy Exchange	81.049	100,634	-

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2011

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
State Grants:			
<u>N.C. Department of Health and Human Services</u>			
Division of Social Services:			
AFDC Incentive/Program Integrity		\$ -	\$ 9
Energy Assistance Private Grant		-	538
Direct Benefit Payments:			
CWS Adopt Subsidy and Vendor		-	89,934
State Foster Home		-	50,714
SC/SA Domiciliary Care		-	134,715
Foster Care Special Provision		-	65,427
SFHF Maximization		-	86,852
Total N.C. Department of Health and Health and Human Services		-	428,189
<u>N.C. Department of Crime Control and Public Safety</u>			
Emergency Management Performance		-	35,386
<u>N.C. Rural Economic Development Center</u>			
East Yancey Water and Sewer Project		-	605,839
<u>N.C. Department of Environmental and Natural Resources</u>			
East Yancey Water and Sewer Project		-	425,865
Division of Public Transportation:			
Rural Operating Assistance Program (ROAP):			
Elderly and Handicapped Transportation Assistance	36220.10.4.1	-	53,195
Work First/Employment Transportation Operating	36236.11.3.1	-	5,690
Work First/Employment Transportation Operating	36236.11.2.1	-	2,803
Discretionary	36228.22.4.1	-	45,337
Total N.C. Department of Transportation		-	107,025

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2011

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Forest Services: Part F		\$ -	\$ 116,000
<u>N.C. Department of Juvenile Justice and Delinquency Prevention</u>			
Mountain Challenge			24,382
Project Challenge			25,403
Family Based Counseling		-	10,639
Other Juvenile Crime Prevention Programs		-	3,319
Total Department of Juvenile Justice and Delinquency Prevention		-	63,743
<u>N.C. Department of Corrections</u>			
Criminal Justice Partnership Program		-	57,950
Total federal and State award expenditures		\$ 20,212,522	\$ 12,330,668

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2012

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of federal and State Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included in this schedule.

NOTE B--CLUSTERS

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To Yancey County Board of Commissioners
Yancey County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yancey County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises Yancey County's basic financial statements and have issued our report thereon dated December 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Yancey County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Yancey County internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yancey County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Yancey County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs as Findings 2012-1 through 2012-3, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing

their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs reported as Findings 2012-1 through 2012-3 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yancey County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards* described in the accompanying Schedule of Findings and Questioned Cost reported as finding 2012-3. Management has also disclosed instances of noncompliance in the notes to the Financial Statements.

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the county's response and, accordingly, we express no opinion on it.

We noted other control deficiencies and operational matters that we have reported to management of the County in a separate letter dated December 3, 2012.

This report is intended for the information and use of the Board, management, federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Asheville, North Carolina
December 3, 2012

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

**Report on Compliance with Requirements That Could Have a Direct and
Material Effect on Each Major Federal
Program and Internal Control over Compliance in Accordance with OMB
Circular A-133 and the State Single Audit Implementation Act**

To Yancey County Board of Commissioners
Yancey, North Carolina

Compliance

We have audited the Yancey County, North Carolina, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on Yancey County's major federal programs for the year ended June 30, 2012. Yancey County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of Yancey County's management. Our responsibility is to express an opinion on Yancey County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about Yancey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Yancey County's compliance with those requirements.

In our opinion, Yancey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Yancey County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Yancey County's internal control over compliance with requirements that could have a direct and material effect on a major federal programs to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yancey County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2012-4 to be a material weakness.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Yancey County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 3, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Yancey County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board, management, federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Asheville, North Carolina
December 3, 2012

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

**Report on Compliance with Requirements That Could Have a Direct and
Material Effect on Each Major State
Program and Internal Control over Compliance in Accordance with
Applicable Sections of OMB Circular A-133
and the State Single Audit Implementation Act**

To Yancey County Board of Commissioners
Yancey County, North Carolina

Compliance

We have audited Yancey County, North Carolina, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission that could have a direct and material effect on each major State program for the year ended June 30, 2012. Yancey County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major State program is the responsibility of Yancey County's management. Our responsibility is to express an opinion on Yancey County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133 as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Yancey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Yancey County's compliance with those requirements.

In our opinion, Yancey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major State programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Yancey County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Yancey County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yancey County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2012-4 to be a material weakness.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Yancey County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 3, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Yancey County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board, management, federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Asheville, North Carolina
December 3, 2012

Dixon Hughes Goodman LLP

YANCEY COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I--Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified that are not
considered to be material weaknesses? yes X none reported

Non-compliance material to financial
statements noted?

 X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified that are not
considered to be material weaknesses? yes X none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings (including reportable
conditions) disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133?

 X yes no

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

Identification of major programs:

CFDA Number Name of Federal Program or Cluster

93.778 Medical Assistance Programs

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 606,376

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified that are not
considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to
be reported in accordance with the State Single
Audit Implementation Act? X yes no

Type of auditors' report issued on compliance for major State programs: unqualified

Identification of major State programs:

Medicaid Cluster
East Yancey Water and Sewer Grant--N.C. Rural Economic Development
Center
East Yancey Water and Sewer Grant--N.C. Department of Environmental
and Natural Resources

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

Section II--Financial Statement Findings

Finding: 2012-1 Financial Reporting

MATERIAL WEAKNESS

Criteria:	The County's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. Effective internal control requires proper review and approval of journal entries by authorized personnel.
Condition:	There were a number of audit adjustments needed to assure that the financial statements are fairly presented in accordance with generally accepted accounting principles.
Effect:	Material misstatements caused by error or fraud can occur and not be detected and corrected, by management, in a timely manner.
Cause:	Management has improved the year end closing process, however there were audit adjustments needed to prepare the financial statements. The nature of the adjustments were primarily needed for the multi-year capital projects.
Recommendation:	We recommend the county continue to analyze their financial information in all funds in preparation for the audit.
Management's Response:	See Corrective Action Plan.

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

Finding: 2012-2 Fiscal Management

MATERIAL WEAKNESS

Criteria:	The Fiscal Management Section of the State Treasurer's Office recommends governmental entities, with taxing authority, maintain fund balance available for appropriation in the general fund at a level equal to 8 percent of expenditures in the general fund or 50% of the population group average.
Condition:	The County's fund balance available for appropriation is approximately \$317,000, or 1.7 percent of expenditures in the General Fund, which is approximately \$1 million less than the suggested fund balance of 8 percent of general fund expenditures.
Effect:	The County's reserves may not be sufficient in the event of an emergency.
Cause:	Even though total fund balance in the General Fund increased, the amount of available fund balance decreased due to interfund borrowings from other funds because requests for reimbursement under various state grants had not been received by year-end.
Recommendation:	We recommend the County continue to rebuild its fund balance available for appropriation to the level recommended by the State.
Management's Response:	See Corrective Action Plan.

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

Finding: 2012-3 Budgetary Control

MATERIALWEAKNESS

MATERIAL NONCOMPLIANCE

Criteria:	In accordance with North Carolina General Statute (NCGS) 159-28, "Budgetary Accounting for Appropriations," the Finance Officer is required to perform a "pre-audit" to ensure sufficient funds are available in the budget to cover the amounts to be paid. If sufficient funds are not available then a budget amendment should be made and approved by the Board as necessary.
Condition:	Expenditures exceeded budget in the following funds: Community Projects, Fire Districts, Grants, and Emergency Telephone System expenditures.
Effect:	Actual expenditures exceeded budgeted expenditures at the legal level of control which is a violation of state statutes.
Cause:	Overages were caused by a combination of audit adjustments and inadequate pre-audit certifications. The Fire Districts Fund was caused by an administrative oversight of a spreadsheet error that caused a zero budget to be adopted in the budget ordinance.
Recommendation:	We recommend the County improve its budgetary controls to comply with NCGS 159-28 by utilizing the budgetary control capabilities within its accounting software. Also, the training recommendation in finding 2012-1 should help staff better account for year-end accrual adjustments and minimize audit adjustments.
Management's Response:	See Corrective Action Plan.

(continued)

YANCEY COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

Section III--Federal Award Findings and Questioned Costs

U.S Department of Health and Human Services
All DSS Federal and State Program

Finding: 2012-4 Day Sheets

MATERIAL WEAKNESS

Criteria:	Day sheets are required to account for 100 % of employee time as required in the DSS Services Information System User's Manual. In addition, program codes and activity codes should be summarized correctly; day sheet entries should be supported by documentation in case record files; and day sheet summaries should be transferred to the DSS-1571 accurately to an eligible fund source.
Condition:	Due to a lack of documentation, it was difficult to trace time reported by income maintenance workers to the DSS-1571.
Effect:	Payroll expenditures charged to a program could be disallowed due to inadequate supporting documentation.
Cause:	Lack of effective policy and procedures to record and report time for income maintenance workers.
Recommendation:	We recommend that adequate policy and procedures are implemented to properly record and review time in order to support time reported on the DSS-1571.
Management's Response:	See Corrective Action Plan.

Section IV--State Award Findings and Questioned Costs

See finding 2012-4

YANCEY COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2012

Section II--Financial Statement Findings

2012-1 Financial Reporting

MATERIAL WEAKNESS

Name of contact person: Lynne E. Hensley, Finance Director; Brandi Burleson, Finance Officer

Corrective action: Although significant improvement was made in the number of year-end journal entries this fiscal year efforts will continue to be made to lessen the number of remaining entries. A monthly and/or quarterly review process will be utilized.

Proposed completion date: Continued progress by year-end June 30, 2013

(continued)

YANCEY COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2012

2012-2 Fiscal Management

MATERIAL WEAKNESS

Name of contact person: Nathan Bennett, County Manager; Lynne E. Hensley, Finance Director; Brandi Burleson, Finance Officer

Corrective action: The Yancey County Board of Commissioners and the management team consider the continued improvement in the fund balance to be a significant accomplishment. However, due to three large receivables from North Carolina state agencies (NC Rural Center \$165,736; NC Department of Environment and Natural Resources \$425,864; PARTF Grant \$116,000) the fund balance available for appropriation dropped to 1.7 percent. Had these amounts not been outstanding at year end the available fund balance would have been 5.5%. Therefore, the finance staff will be more aggressive in lessening year-end receivables by seeking periodic reimbursements on a more frequent basis. The Board remains committed to building the fund balance by continued improvement of budgetary control, appropriating a substantial amount annually to replenish fund balance, and continuing the improved tax collections. Utilizing these procedures will accomplish the goal of increasing the percentage each fiscal year until the suggested fund balance of 8 percent is achieved, with an ultimate goal of 16 percent as set forth in statement #1 of Fiscal Policy Statements. These actions, however, must continue to be carefully balanced with efforts to improve services and facilities for the benefit of taxpayers.

Proposed completion date: Continued progress by June 30, 2013.

(continued)

YANCEY COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2012

2012-3 Budgetary Control

MATERIAL WEAKNESS MATERIAL NONCOMPLIANCE

Name of contact person: Lynne E. Hensley, Finance Director; Brandi Burleson, Finance Officer

Corrective action: While significant improvement has been made to budgetary control, the utilization of encumbrances in the finance system will add greater assurance to budgetary review. The finance staff has begun the process to implement the encumbrance accounting capability of the financial software. Department heads have been informed of the change in processing of purchase requests, and a contract has been completed with the software vendor to purchase the encumbrance module and related training. Unique and one-time situations created budget overages in the grants and community projects funds, and administrative oversight created the fire districts fund error which has budgets presented in previous and subsequent years.

Proposed completion date: Encumbrance System to be implemented February 1, 2013

(continued)

YANCEY COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2012

Section III--Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

All DSS Federal and State Programs

2012-4 Day Sheets

Name of contact person: Darrell Renfroe, DSS Director

Corrective action: As a result of the Medicaid Audit, IMC Medicaid Supervisor, Karen McKinney had DSS 4263 (Day Sheet) Training for all Medicaid Staff on Wednesday, September 19, 2012. At this training, staff was informed how to effectively enter information on the DSS 4263 (Day Sheets). The Services Information System (SIS) Manual was utilized to present this training.

Effective October 1, 2012, Medicaid Staff were required to record time, activity codes and program codes on the DSS 4263 and they are to be submitted every Monday morning for the previous week's activities.

Proposed completion date: Corrective action plan was implemented on October 1, 2012.

Section IV--State Award Findings and Questioned Costs

See Finding 2012-4 in Section III

(continued)

YANCEY COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
June 30, 2012

2010-1	Finding has been corrected.
2010-2	Financial Reporting is repeated as Finding 2012-1.
2010-3	Fiscal Management is repeated as Finding 2012-2.
2010-4	Finding has been corrected.
2010-5	Finding has been corrected.
2010-6	Finding has been corrected.
2011-1	Financial Reporting is repeated as Finding 2012-1.
2011-2	Fiscal Management is repeated as Finding 2012-2.
2011-3	Finding has been corrected.

Attachment 6

COUNTY MANAGER
Nathan Bennett



COMMISSIONERS
Jill Austin
Dale England
Marvin Holland
Michele Presnell
Johnny Riddle

YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

November 27, 2012

C.B. McLean, Jr.
Attorney At Law
4000 Wake Forest Road, Suite 118
Raleigh, NC 27609

*SENT VIA FIRST CLASS MAIL &
E-MAIL TO: bartmclean@gmail.com*

RE: **Banks Holding Company LP**
Parcel ID: 070812856942.000
Map/Code/Lot#: 11005 01152

Dear Mr. McLean:

Please be advised that I am in receipt of your letter dated November 13, 2012 regarding an alleged error in the tax appraisal of the above referenced property in the Mountain Air Subdivision. The issues in your letter have been noted and the letter will be placed in the record and addressed at the next sitting of the Board of Commissioners.

This letter shall serve notice to you as counsel for the taxpayer, as well as the taxpayer, that this matter will be considered by the Yancey County Board of Commissioners. The matter has been placed on the agenda for the Yancey County Board of Commissioners regular meeting scheduled for Tuesday, December 4, 2012 at 7:00 p.m. You may attend this meeting or submit additional information for consideration if you so desire.

Please let me know if I can be of further assistance.

Sincerely,

NATHAN R. BENNETT,
Yancey County Manager

CC: Donny Laws, Yancey County Attorney
Jeff Boone, Tax Administrator/Assessor
Randy Banks, Banks Holding Company, LP
John Anglin, Mountain Air Development Corporation

C. B. McLean Jr.

Attorney At Law

4000 Wake Forest Road, Suite 118

Raleigh, NC 27609

Telephone: 919/872-1779 Facsimile: 919/872-9779

Email: bartmclean@gmail.com

13 November 2012

The Yancey County Board
Of Commissioners
110 Town Square, Room 1
Burnsville, NC 28714

Re: Parcel ID: 070812856942.000
Map/Code/Lot #: 11005 01152
Owner: Banks Holding Company LP

To the Honorable Board:

I am writing to you with regard to the parcel referenced above, on behalf of the owner of the property, Banks Holding Company LP. It has recently come to the attention of the owner that this parcel was incorrectly appraised and assessed in the course of the County's general reappraisal effective 1 January 2008. Please see the copy of the property record card for this property and the Yancey County GIS photograph and parcel report (both attached) for additional information.

It appears from the information enclosed that this parcel was appraised and assessed as a "residential" lot, with its highest and best use being a homesite. Both the enclosed County records indicate that the County appraised the parcel as a "residential" Timbersky lot.

Unfortunately, this parcel has never been offered for sale, nor are there any plans to offer it for sale as a residential lot or for any other purpose. The parcel is not suited for use as a residential lot because there are no utilities available, among other reasons. The future development

Letter to the Yancey County Board
Of Commissioners
13 November 2012
Page Two

plans call for this lot to be used as right of way, nothing more. In Mountain Air's 2011 hearing before the Board of Equalization and Review, it was agreed that parcels like this one would be appraised at \$10,000 per acre. The current assessment of this parcel is \$958,100 for a 2.07 acre parcel.

By letter dated 29 October 2012, Mr. Jeff Boone, the Yancey County Assessor, advised me that it was his belief that the Board of Commissioners had never given him the authority to make the changes authorized under NCGS 105-325(a)(1) through (a)(5), thus this authority lies directly with the Board of Commissioners. (Delegation of this authority is permitted, but not required, under NCGS 105-325(b).)

While the owner did not realize the error in time to appeal it to the 2012 Board of Equalization and Review before the advertised deadline, it is clear that the County's appraisal of this parcel is based upon an **error**: the County classified this parcel as a buildable "residential" lot when in fact it is not, and never has been a residential lot. North Carolina General Statute Section 105-325(a)(3) addresses this type of error directly. It authorizes the Board of Commissioners "... to correct an erroneous description of any property appearing on the abstract or tax records."

Subsection 105-325(a)(3)(a) goes on to provide that "[a]ny correction or substitution made under the provisions of this subdivision (a)(3) shall have the same force and effect as if the name of the taxpayer or the description of the property had been correctly listed in the first instance, but the provisions of this subdivision shall not be construed as a limitation on the taxation and penalization of discovered property required by G.S. 105-312." Subsection 105-325(a)(3)(b) goes on to provide that if a correction made under subdivision (a)(3) will adversely affect the taxpayer, the taxpayer shall be given notice and an opportunity to be heard before the change is entered on the tax records.

Letter to the Yancey County Board
Of Commissioners
13 November 2012
Page Three

Clearly 105-325(a)(3) authorizes the Board to correct erroneous "descriptions" of property for the current year as well as prior years. If the correction of an error in the description of property results in a higher tax value than was previously the case, the taxpayer is entitled to notice and an opportunity to be heard before the correction is entered. No notice to the taxpayer is required when the correction of an error results in a lower tax value.

It seems abundantly clear that this parcel was described as "residential" and appraised as a "residential" lot when in fact it was not and never will be a "residential" lot. The County has appraised similar property at \$10,000 per acre.

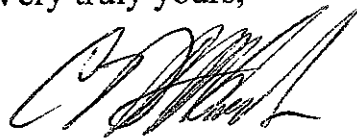
On behalf of the property owner, I respectfully request that the Honorable Board correct the description of this parcel to reflect its actual characteristics and its actual highest and best use for the 2011 and 2012 tax years. As this parcel is not a buildable residential lot, the description "residential" should be deleted and the parcel should be described as what is actually is and appraised as right of way land with a value of \$10,000 per acre.

If you should have any questions or need additional information concerning this parcel please let me know. It seems clear that the County's appraisal and assessment of this parcel is the result of an error in the description, because this is not a "residential" lot and cannot be used for "residential" purposes. The description of the parcel as "residential" is an error. NCGS 105-325 is expressly designed to allow such errors to be corrected even after the deadline for appeal to the Board of Equalization and Review has passed. This is clearly an error, not a matter of appraisal judgment.

Letter to the Yancey County Board
Of Commissioners
13 November 2012
Page Four

I appreciate your assistance with this matter and look forward to hearing from you soon. Thank you and best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C. B. (Bart) McLean Jr.', written in a cursive style.

C. B. (Bart) McLean Jr.

Enclosures

cc with enclosures:

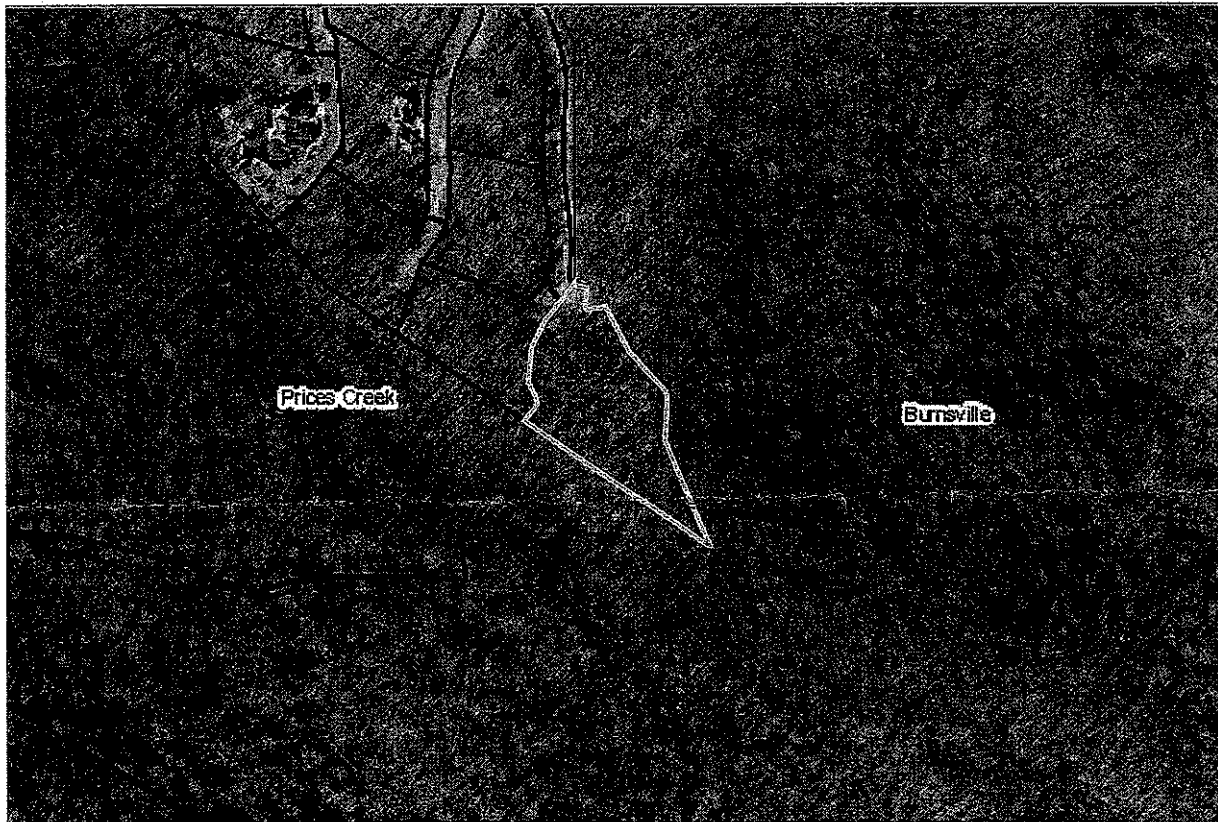
Mr. Jeff Boone
Yancey County Assessor

Donny J. Laws, Esq., Yancey County Attorney

Mr. Randy Banks, Managing Partner
Banks Holding Company LP

Mr. John Anglin
Mountain Air Development Corporation

Yancey County - GIS Mapping



Parcel Report: 070812856942.000

BANKS HOLDING CO LP
319 WEST MAIN SREET
BURNSVILLE, NC 28714

Location: LT MOUNTAIN AIR CC (TIMBERSKY)
Parcel Type: RESIDENTIAL
Parcel ID: 070812856942.000
Total Acreage: 2.07
Deed bk-pg: 233 443

2008 Tax Evaluation Info

Land Value:	\$958,100
Building Value:	\$0
<hr/>	
Total Value:	\$958,100

BANKS HOLDING CO LP
319 WEST MAIN ST STE 1

BURNSVILLE

NC 28714

Selected Outstanding Records
YANCEY COUNTY TAX ADMINISTRATION
110 TOWN SQUARE, ROOM 1
BURNSVILLE, NC 28714
828.682.2197

Bill	Name	PIN or License Tag	Total Due
N2011000934	BANKS HOLDING CO LP	070812856942000	\$5,140.68
N2012000916	BANKS HOLDING CO LP	070812856942000	\$4,694.69
County Tax		\$8,622.90	
CANE RIVER F		\$766.48	
		County Interest	\$445.99

Total \$9,835.37

As of: 11/27/2012

Total Count 2

BANKS HOLDING CO LP
319 WEST MAIN ST STE 1

BURNSVILLE

NC 28714

PIN History for 070812856942000
YANCEY COUNTY TAX ADMINISTRATION
110 TOWN SQUARE, ROOM 1
BURNSVILLE, NC 28714
828.682.2197

Archived Payments

Bill	Date	P/R	Check/Cash	From	Credit	Discount	Total Credit
N2003000897	08/29/2003	P		BANKS HOLD	\$100.02	\$1.89	\$101.91
N2004000906	08/31/2004	P		BANKS HOLD	\$100.02	\$1.89	\$101.91
N2005000920	08/18/2005	P		BANKS HOLD	\$92.61	\$1.75	\$94.36
N2006000927	08/22/2006	P		BANKS HOLD	\$92.61	\$1.75	\$94.36
N2007000950	08/24/2007	P		BANKS HOLD	\$83.61	\$1.58	\$85.19
N2008000956	10/13/2008	P	1410	BANKS HOLD	\$4,600.80	\$93.89	\$4,694.69
N2009000945	08/31/2009	P	1421	BANKS HOLD	\$4,600.80	\$93.89	\$4,694.69
N2010000944	01/18/2011	P	1433	BANKS HOLD	\$4,788.58		\$4,788.58
Total Payments					\$14,459.05	\$196.64	\$14,655.69

11/27/2012

Jeff Boone

From: McLaughlin, Christopher B [mclaughlin@sog.unc.edu]
Sent: Friday, August 24, 2012 1:45 PM
To: Jeff Boone
Subject: RE: 070812856942.000

Jeff, if you agree that the appraisal of this property was the result of clerical error--in other words, somebody checked the wrong box and never intended the property to be appraised at 958,000--then you should submit the refund/release request to the board under 105-381. But it sounds to me like your basic value appeal: the taxpayer disagrees with the assessor's judgment of how valuable the property may be. Value judgments cannot be appealed or resolved under 105-381. Instead, the taxpayer needs to appeal this property to the B of E&R for 2012-2013 taxes and future years' taxes. The value cannot be adjusted for prior years.

For more details, read my chapter on refunds and releases in my tax collection or the property tax bulletin on the same topic available from the SOG website.

Chris

From: Jeff Boone [Jeff.Boone@yanceycountync.gov]
Sent: Friday, August 24, 2012 12:54 PM
To: McLaughlin, Christopher B
Subject: FW: 070812856942.000

Good afternoon,

Donny Laws wanted me to contact you about the below request of a taxpayer in Yancey county. The property in question has never been appealed since the 2008 revaluation and schedule of values were adopted, and the fact the taxes have been paid in 2008, 2009 and 2010 at the current assessed value of \$958,100. The taxpayer is requesting that the value be reduced to \$25K.

What I've done before was the taxpayer submitted the request to me and I went before BOCC with their request. In this situation, I am recommending That the BOCC make no change to value. They've done this type of reduction before without regards to our 2008 schedule of values.

I know I have presented such requests in the past for taxpayers, however is there statue that specifies that the assessor present to the BOCC for a taxpayer or does the taxpayer need to go before the BOCC for these requests?

Thank you

Jeff

*Jeff A Boone
Yancey County Tax
Administrator/Assessor
110 Town Square
Court House Room 2
Phone: 828-682-2198
Fax: 828-682-4817
Email: jeff.boone@yanceycountync.gov
County website; www.yanceycountync.gov*

2. When are refunds and releases authorized?

Technically, refunds and releases are authorized in three situations: when a tax is (1) imposed through clerical error, (2) illegal, or (3) levied for an illegal purpose.³ However, because reasons 2 and 3 overlap substantially, if not entirely, in practice there are only two situations that justify a refund: when a tax is imposed due to clerical error or is illegal.

Clerical Error

The General Assembly has not defined the term "clerical error," but state courts have. In 1997, the North Carolina Court of Appeals tackled this issue in *Ammons v. Wake County*.⁴ In this case, the taxpayer asked the assessor if his forest land qualified for present-use value (PUV) tax deferrals for the 1993 tax year. The assessor answered no and the taxpayer did not apply for the PUV program. One year later, the taxpayer ignored the assessor's opinion and applied for a PUV deferral. The assessor denied the application, but the taxpayer won his appeal to the board of equalization and review and was granted PUV status for the 1994 tax year. The taxpayer then requested a refund for the 1993 taxes he would have been able to defer had the assessor provided accurate advice about the property's eligibility for the PUV program. After the board of county commissioners denied the refund request, the taxpayer turned to the courts. The superior court ruled that the assessor's incorrect advice did not constitute a clerical error under G.S. 105-381 and dismissed the taxpayer's claim. The court of appeals affirmed this decision, which became final when the North Carolina Supreme Court declined to hear the taxpayer's appeal.

According to the court of appeals, to qualify as a clerical error under G.S. 105-381 the tax office's error "must ordinarily be apparent on the face of the instrument," must be capable of being corrected by reference to the record only, and must produce an unintended result. Prime examples are transcription errors, such as when an additional zero is added to tax valuation or when two numbers are transposed on a tax bill.

The definition of clerical error adopted in *Ammons* excludes a factual or judgment error by an appraiser, which must be addressed during the assessment appeal period and not in a refund and release request. For example, assume that in 2007 an appraiser values a lakefront lot with the understanding that it is buildable. Three years later, the taxpayer applies for a building permit and is denied based on the size and slope of the lot. The taxpayer immediately asks the tax office for a retroactive decrease in the tax value of the lot and a tax refund, based on the fact that the lot was never buildable. Applying the *Ammons* test, this error does not justify a refund under G.S. 105-381 because it is a judgment error and not a clerical error. First, the error is apparent and correctable only through an examination of the property and a decision by the county inspections department, not by reference to the appraisal documents. Second, the error has not caused an unintended result. In 2007, the appraiser intended to value the house as a buildable lot, and it was so valued. The judgment error by the appraiser can be corrected under G.S. 105-287(a)(2) for current and future tax years, but it does not justify a retroactive change to the tax value or a refund for past years under G.S. 105-381.

For a terrific analysis of the *Ammons* case and its definition of clerical error, please see William A. Campbell's *Property Tax Bulletin* No. 111.⁵

3. G.S. 105-381(a)(1).

4. 490 S.E. 2d 569, 127 N.C. App. 426 (1997), cert. denied, 500 S.E.2d 84, 347 N.C. 670 (1998).

5. William A. Campbell, "Ammons v. Wake County: Some Light on Clerical Errors," *Property Tax Bulletin* No. 111 (October 1997), available online at www.sog.unc.edu/pubs/electronicversions/pdfs/ptb111.pdf.

From: rbanks@mountainaircc.com [mailto:rbanks@mountainaircc.com]

Sent: Thursday, August 23, 2012 3:49 PM

To: Jeff Boone

Cc: Dale England; David@etheridgelawfirm.com; donnyjlawsattorney@yahoo.com; Jill Austin; Johnny Riddle; Marvin Holland; Michele Presnell; Nathan Bennett

Subject: Fw: 070812856942.000

Importance: High

Hi Jeff. I hope your week is going well.

I wanted to follow up on my email (below) from 8/19 as I have not heard back from you on what our next steps should be. Please let me know how we should proceed at your earliest convenience. Thanks.

Randy

Randy Banks
President, CEO
Mountain Air Development Corporation
P.O. Box 1037
Burnsville, NC 28714
1-800-247-7791 or (828) 682-3600, ext. 20
www.mountainaircc.com

----- Forwarded by Randy Banks/MACC on 08/23/2012 03:01 PM -----

Randy

Banks

08/19/2012
04:04 PM

To: Jeff Boone <Jeff.Boone@yanceycountync.gov>

cc: Dale England <Dale.England@yanceycountync.gov>, David Etheridge <david@etheridgelawfirm.com>, Donny Laws <donnyjlawsattorney@yahoo.com>, "Janglin@mountainaircc.com" <janglin@mountainaircc.com>, Jill Austin <Jill.Austin@yanceycountync.gov>, Johnny Riddle <Johnny.Riddle@yanceycountync.gov>, Marvin Holland <Marvin.Holland@yanceycountync.gov>, Michele Presnell <Michele.Presnell@yanceycountync.gov>, Nathan Bennett <Nathan.Bennett@yanceycountync.gov>

Subject: Re: 070812856942.000 [Link](#)

Hi Jeff. I hope you are well and thanks for responding to our request.

To answer your question as to "why now?", the parcel in question is owned by a family partnership called "Banks Holding Company, LP." Until that entity entered a Chapter 11 Bankruptcy proceeding last year, the Banks Holding tax bills were being paid by my dad's secretary, Glona Allen, and I was never aware that this particular parcel had been miss-classified as a Mountain Air Timber Sky lot. Once Banks Holding was forced to enter the Chapter 11 proceeding, this particular parcel became a part of the negotiated settlement between Banks Holding and the note holder, Mossy Creek Highlands, LLC. This is when we became aware of the miss-classification of the parcel. This particular parcel is a "connector" road right of way parcel that connects Old Growth Forest Road in Mountain Air (at the termination of the Timber Sky neighborhood) to our Old Growth Forest conservation easement preserve.

Once we became aware of the miss-classification, we had the parcel appraised (two or three months ago) for the note holder and the Bankruptcy court, and the appraised value was \$25,000. I believe John Anglin shared the map of the parcel with you, which clearly shows the road right-of-way and the relative uselessness of the parcel for any other purpose. In fact, I believe that the \$25,000 appraised value is optimistic, but we'll not argue that point.

We believe that the statute(s) allow for an adjustment, due to clerical error of both classification and value (according to our mutual friend and attorney, Bart McClean!), however you may be correct that the authority lies with the county commissioners to grant this adjustment. Further, it seems to me that we should be due a refund for overpayment in years 2008, 2009 and 2010, however in an effort to show the commissioners that we are acting in good faith on our request, I will simply ask that the unpaid tax years of 2011 and 2012 plus future years until the time of next revaluation be adjusted to the \$25,000 appraised value and we'll leave it at that.

Please let me know how we need to proceed with our request. A part of our settlement with our lender requires that we convey this parcel to them, and we cannot do so until the tax issue is resolved. As always, thank you for your help with this matter. Please feel free to call me with any questions. Thanks again and all the best.

Randy

Randy Banks
President, CEO
Mountain Air Development Corporation
P.O. Box 1037
Burnsville, NC 28714
1-800-247-7791 or (828) 682-3600, ext. 20
www.mountainaircc.com

Jeff Boone
<Jeff.Boone@yanceycountync.gov>
08/17/2012 04:09 PM

To: Johnny Riddle <Johnny.Riddle@yanceycountync.gov>, Jill Austin <Jill.Austin@yanceycountync.gov>, Dale England <Dale.England@yanceycountync.gov>, Marvin Holland <Marvin.Holland@yanceycountync.gov>, Michele Presnell <Michele.Presnell@yanceycountync.gov>, Nathan Bennett <Nathan.Bennett@yanceycountync.gov>, janglin@mountainaircc.com <janglin@mountainaircc.com>, rbanks@mountainaircc.com <rbanks@mountainaircc.com>
cc: Donny Laws <donnylawsattorney@yahoo.com>, David Etheridge <david@etheridgelawfirm.com>
Subject: 070812856942.000

To whom it may concern:

In response to your request for me to adjust to value of parcel 070812856942.000, it does not fall under my authority as Yancey County Assessor.

§ 105-296. Powers and duties of assessor.

(i) Prior to the first meeting of the board of equalization and review, the assessor may, for good cause, change the appraisal of any property subject to assessment for the current year. Written notice of a change in assessment shall be given to the taxpayer at his last known address prior to the first meeting of the board of equalization and review.

Your request fall under:

§ 105-325. Powers of board of county commissioners to change abstracts and tax records after board of equalization and review has adjourned.

4) To correct appraisals, assessments, and amounts of taxes appearing erroneously on the abstracts or tax records as the result of clerical or mathematical errors. (If the clerical or mathematical error was made by the taxpayer, his agent, or an officer of the taxpayer and if the correction demonstrates that the property was listed at a substantial understatement of value, quantity, or other measurement, the provisions of G.S. 105-312 shall apply.)

The NCDOR has advised me that the definition of clerical error is just that. A missed spelled word, a mathematical error etc.

The property in question has never been appealed since the 2008 revaluation and schedule of values were adopted, and the

Fact the taxes have been paid in 2008, 2009 and 2010 at the current assessed value of \$958,100 makes me question, why now.

The property value has never been questioned or appealed thru the proper avenue of appealing to the Board of Equalization and Review, until now.

This is a matter that has to go before the Board of County Commissioners, since we are past the 2012 Board of Equalization and Review time frame.

Thank you

Jeff A Boone

*Jeff A Boone
Yancey County Tax
Administrator/Assessor
110 Town Square
Court House Room 2
Phone: 828-682-2198
Fax: 828-682-4817
Email: jeff.boone@yanceycountync.gov
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NOTICE OF MEETINGS

OF THE YANCEY COUNTY BOARD OF EQUALIZATION AND REVIEW

Pursuant to N.C.G.S. 105-322, the Yancey County Board of Equalization and Review will meet as required by law.

PURPOSE OF MEETINGS

To hear, upon request, any and all taxpayers who own or control taxable property assessed for taxation in Yancey County, with respect to the valuation of such property, or the property of others, and to fulfill other duties and responsibilities as required by law.

TIME OF MEETINGS

The Board will convene for its first meeting on

April 16th 2012.

The Board will adjourn for the purpose of accepting requests for hearing at its meeting on

May 7th 2012.

Meetings will begin promptly at 5:00pm in Commissioners Board Room,
on the second floor of the Yancey County Courthouse.

**Requests for hearing must be received no later than final adjournment, which is scheduled for
May 7th, 2012 at 12:00pm.**

In the event of an earlier or a later adjournment, notice to that effect will be published in this newspaper.

The schedule for the hearing of appeals which were timely filed will be posted at the office of the Assessor, serving as Clerk to the Board, and will also be provided to individuals and organizations that have requested notice pursuant to N.C.G.S. 143-318.12.

All requests for hearing should be made to:

Jeff A Boone, Clerk to the
Yancey County Board of Equalization and Review
110 Town Square, Courthouse Room 2
Burnsville, NC 28714
Telephone: (828) 682-2198
Fax: (828) 682-4817
Email: jeff.boone@yanceycountync.gov

Receipt# 12-1905 2012-01474
Issued 05/27/2012 Yancey County, NC
by Willoree Jobe, Register of Deeds
Excise Amount: \$8340.00 Excise ID #981859
Real Estate Excise Tax

PREPARED BY AND RETURN TO: Mark A. Pinkston
VAN WINKLE, BUCK, WALL, STARNES & DAVIS, P.A.
POST OFFICE BOX 7376
ASHEVILLE, NORTH CAROLINA 28802

STAMPS: \$8,340.00

PIN: 0708-03-40-0549; 0707-00-06-4675; 9798-00-93-4014; 0708-00-04-0745

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

TRUSTEE'S DEED

THIS DEED, made this 26 day of May, 2012, by and between Raintree Realty and Construction, Inc., Substitute Trustee, whose address is P.O. Box 8942, Asheville, North Carolina 28814, hereinafter sometimes referred to as "Grantor"; and Mossy Creek Highlands, LLC of 7390 McGinnis Ferry Road, Suite 200, Suwanee, GA 30024, hereinafter sometimes referred to as "Grantee".

WITNESSETH:

THAT WHEREAS, on the 25th day of January 2006, William R. Banks and wife, Jeani H. Banks; Sheree B. Watson and husband Michael R. Watson; Cleo Robinson and wife, Unieda Robinson; and Banks Holding Company, LP, as a North Carolina Limited Partnership; Mountain Air Development Corporation, as a North Carolina Corporation; William A. Banks and Virginia A. Banks, wife, executed and delivered to Dwayne H. Wiseman, Original Trustee, a certain Deed of Trust which is recorded in the Office of the Register of Deeds for Yancey County, North Carolina, in Book of Mortgages and Deeds of Trust No. 513, at Page 709, conveying land being the subject hereof; and,

WHEREAS, by Substitution of Trustee duly recorded on June 14, 2010 in Book 631, Page 745 of the Yancey County Registry, the said Substitute Trustee, was duly substituted as Trustee under the Deed of Trust; and,

WHEREAS, by the 22nd day of December, 2010, the Substitute Trustee, caused a Notice of Hearing in Foreclosure to be mailed to or served upon each Banks Holding Company, LP, FCP Realty Interests III, LLC, Fiddler's Green, LLC, Covenant Clearinghouse, LLC,

Current

LT MOUNTAIN AIR CC PARCEL ID: 070812856942.000 MAP/CODE/LOT # 11005 01152 CLASS: A STATE CLASS: 100 CARD #: 1 OF 1

CURRENT OWNER/ADDRESS ZONING: LAND DATA: TYPE SIZE RATE INFLUENCE FACTORS NBHD ID: 1121.00 LIVING UNITS: % LAND VALUE

BANKS HOLDING CO LP 319 WEST MAIN ST STE 1 NC 28714

DEED BOOK: 233 DEED PAGE: 443 DEED DATE: 19920218

DATE TYPE PRICE VALID BOOK/PAGE TOTAL ACREAGE: 2.070 TOTAL LAND VALUE: 958,100

20021225 1 F 418-121 233-443

PERMIT DATA DATE NUMBER PURPOSE COST

DWELLING DATA: Story Ht. Style: Walls: Bedrooms: Total Rooms: Basement: Attic: Full Baths: Half Baths: Add'l Fixtures: Total Fixtures: Heating System: NONE Type: Fin. Bsmt. Living Area: Basement Rec Room Area: Total Fireplace: Basement Garage (# Cars) Ground Flr Area: TOT LIVING AREA: True GFA Quality Grade: Condition: Year Built: Eff. Year Built: CDU: OUTBUILDING DATA Type qty Yr size1 size2 Grd Cond Value

COST APPROACH COMPUTATIONS

Base Price Plumbing Additions Unfin. Area Basement Attic Heat/AC Adj. FBLA Rec Rm Fireplace Bsmt. Gar. SUBTOTAL Grade Factor C & D factor TOTAL RCN % Good Market Adj. TOTAL RCNLD

NOTES:

MISC. OUTBUILDING TO OUTBUILDING TOTAL:

LOT MTN AIR CC

- DATA COLLECTION INFORMATION- 20060713 22

ASSESSMENT INFORMATION - PRIOR 958,100 15,800 958,100 CURRENT 958,100

ADDITION DATA: Lower Level First Floor Second Floor Third Floor Area Value